Veritas
KAPITAL ASSURANCE PLC

UNAUDITED FINANCIAL STATEMENTS FOR PERIOD ENDED

June 30, 2021

Report and Unaudited Financial Statements for the Period ended June 30, 2021

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CORPORATE INFORMATION

Membership of the Board of Directors during the period ended 30 June, 2021.

1	Thomas Etuh	Non-Executive Director	Chairman
2	Mr. Aminu Babangida	Non-Executive Director	
3	Dr. Oluwafunsho A. Obasanjo	Non-Executive Director	
4	Mr. Nahim Abe Ibraheem	Non-Executive Director	
5	Hajia Yabawa Lawan Wabi (mni)	Non-Executive Director	
6	Mrs Priya Heal	Non-Executive Director	
7	Mal. Ibrahim M. Kashim	Independent Non-Executive Director	
8	Sen. Maj. Gen. M. Magoro (OFR)	Non-Executive Director	
9	Mr. Kenneth Egbaran	Managing Director/CEO	
10	Mr. Wole Onasanya	Executive Director (Finance & Investment)-Resigned 31/5/2021	

COMPANY SECRETARY
Ms. Saratu Umar Garba
FRC/2019/NBA/00000019159

REGISTERED OFFICE
Plot 497, Abogo Largema Street,
Off Constitution Avenue,
Central Business District
Abuja.

www.veritaskapital.com
RC NO: 11785

FRC REGISTRATION NO:
FRC/2013/0000000000717

BANKERS
Unity Bank Plc
Guaranty Trust Bank Plc.
First Bank Limited
Fidelity Bank Plc
Keystone Bank Limited
Sterling Bank Plc
Access Bank Plc

REGULATORY AUTHORITY
National Insurance Commission

RE-INSURERS
African Reinsurance Corporation
Continental Reinsurance Corporation
WAICA Reinsurance Corporation
Nigerian Reinsurance Corporation
Alwen Hough Johnson (AHJ) Limited
CK Reinsurance Limited
Meridian Risk Solutions Ltd, London
Score Re.
CICA Re.

ACTUARIES
O & A Hedge Actuarial Consulting
(Consulting Actuaries & Chartered Insurers)
Suite 28, Motorways Centre
(Opposite 7UP Bottling Plant)
1 Motorways Avenue
Alausa Ikeja – Lagos, Nigeria

REGISTRARS
Unity Registrars Limited
25 Ogunlana Drive
Surulere Lagos.

AUDITORS
Deloitte & Touche
(Chartered Accountants)
Civic Center Towers
Ozumba Mbadiwe Avenue,
Victoria Island, Lagos.

Tax Consultants
Shephered Shields Professional Services
FCT Abuja

MISSION
To help our Stakeholders have peace of mind

VISION
To be one of the top Insurance Companies of choice in Africa

PRINCIPLES

Integrity
We will act with openness, fairness, integrity and diligence. We will always adhere to the applicable laws, regulations and standards of doing business.

Performance

We will promote a positive and challenging high performance culture. We will do this by encouraging personal accountability, development and measuring, reward and recognizing success.

Responsibilty

We will act responsibly as individuals and as a Company. This applies to the management of our business, our approach to corporate interaction with key external stakeholders.

Values
- Working in teams
-Servicing our Customers
-Respecting each other
-Being proactive
-Growing our people
-Delivering to our Shareholders
-Guarding against arrogance
-Upholding the highest levels of integrity

OUR COMMITMENTS

Customers

A satisfied and loyal customer base is core to our business.
We are committed to:

- Delivering the consistent and reliable levels of customer service.
- Acting with integrity, due care and diligence.
- Communicating openly, honestly and with sensitivity and understanding.
- Listening to our customers.
- Handling complaints fairly and promptly.
- Respecting our customers' rights to privacy and confidentiality.
- Protecting our customers and our business from fraud.

Business Partners

We demand high standards from the companies we work with and believe that they should expect the same from us.
We are committed to:

- Carrying out our business with fairness and integrity.
- Being reliable and quick to respond.
- Awarding contracts and selecting business partners solely on the basis of fair and objective business criteria and having regards to high ethical standards.
- Respecting all obligations and confidentiality.
- Protecting our customers and our business from fraud.

Employees

Motivated and skilled employees are critical to our success.
We are committed to:

- Fostering a positive and challenging high performance culture.
- Rewarding superior performance.
- Encouraging personal development.
- Encouraging a culture of frank and honest communication.
- Encouraging teamwork and strong leadership.
- Providing a safe and secure working environment.
- Encouraging diversity and equal opportunities.
- Ensuring that grievances and unethical behaviour can be raised without fear of discrimination.

In return we expect our employees to:

- Act with integrity.
- Take responsibility and accountability for their own actions.
- Show support and commitment for change.
- Focus their energy in getting the best from themselves and others.
- Have the confidence and courage to act with conviction.
- Show understanding for and meet external and internal customers needs.
- Show a relentless desire for success.
- Create positive and effective working relationships.

Regulators

We have an open, cooperative and transparent relationship with our regulators.

We are committed to:

- Dealing with our regulators in an open, cooperative and transparent manner.
- Managing our business with appropriate standards of risk management and controls.
- Preventing and reporting any instances of significant financial crime.
- Preventing breaches of relevant regulatory requirements.
- Complying with all set standards.

Community & Environment

We believe in continuous improvement of our environmental performance and in taking action around emerging environmental issues. Whenever we operate, we will seek positive engagement with local communities we are committed to:

- As a business, we have a responsibilty to manage our impacts on the environment through appropriate use of resources such as energy, paper and water and the investment of our assets.

- We also have a responsibility to take proactive active on environmental issues that are likely to affect our business and community at large.

- In each of these areas, we will look to make continuous improvement and actively monitor our performance.

Shareholders

We are committed to fufilling the aspirations of our shareholders through a commitment to business performance, and high standards of transparency, communication and corporate governance.

We are committed to:

- A culture of business performance, focused on delivering returns to shareholders.
- Comprehensive and transparent disclosure.
- Aiding Shareholder's understanding through the disclosure of relevant financial and non-financial
- Listening to the views of our shareholders.
- Managing our business with appropriate standards of risk and control.
- Ensuring due care in the selec tion of our third party advisers, including our auditors.
- Preventing and reporting any market abuse.
- Acting with due sense of responsibilty on confidence entrusted to us.

ENTERPRISE RISK MANAGEMENT

Veritas Kapital Assurance Plc has a robust and dynamic enterprise risk management framework fashioned along with the requirements of NAICOM and the Committee of Sponsoring Organization of the Treadway Commission (COSO). Proper risk management remains essential to the business activities of the company. The framework upholds a risk management culture where everyone is involved from the levels of the Board and Executive committees down to risk owners and respective risk units.

The Company's Enterprise Risk Management framework establishes the context, identifies, analyzes, evaluates, treats, monitors, communicates, and reviews the key risks it assumes in carrying on its business. These risks include market, credit, operational, liquidity, business, reserve, reputational, underwriting, reinsurance, claims risks, as well as legal, compliance risks. Enterprise risk management risk includes management's approach to risks inherent in the business and its appetite for these risk exposures. Under this approach, the Company continuously assesses its key risks and monitors the risk profile against approved limits. The main strategies for managing and mitigating risks include policies, procedures and tools that target specific broad risk categories.

Enterprise Risk Management Principles.

The Company's risk management principles optimize value creation and returns on investments. They assist the Company in achieving its vision and delivery of business objectives. As part of the risk strategy to manage all the foreseeable key risk exposures, our guiding principles;

i Uphold the Company's integrity and value system;
ii Support compliance to regulatory requirements;
iii Aid the understanding of the potential upside and downside of key risks;
iv Increase probability of success and reduce the uncertainty of achieving the organization's overall objectives;

v Add sustainable value to all the activities of the organization;
vi Assure business growth with financial stability
vii Support the culture that "managing risk is everybody's responsibilities"

Our risk management context is entrenched in our mission statement of becoming one of the top insurance companies of choice in Africa through wealth protection by a team of risk and investment managers that provide our customers and other stakeholders with effective, creative solutions, assuring their financial security with our superior strength and capacity in the Nigerian market space.

Our Risk Culture

a) The responsibility for risk management in the Company is fully vested in the Board which in turn delegates such to senior management.

b) The Board and Senior Management consciously promote a proactive approach to risk management, ensure that the sustainability and reputation of the Company are not jeopardized while expanding its market share.

c) The Company's management creates awareness of risk and risk management across board.

d) The Company continually subjects its products, distribution channels, locations and customers to effective risk assessment and it will not engage in any business until it has objectively assessed and determine how to manage the associated risk.

e) The Company pays adequate attention to both quantifiable and unquantifiable risks
The Company pays adequate attention to both quantifiable and unquantifiable risks

Risk Management Framework
Our risk management framework was structured and embedded in our culture and processes. There are clear levels of responsibilities (from the Board of Directors to the Unit Staff) assigned for adequate management of our business risks.

We operate and maintain three levels of risk governance structure for the oversight and management of risk. These are:

1st line of defence: Management
The Board of Directors and the Board Risk Committee are charged with the responsibility for oversight of the Enterprise Risk Management process, proposing and approving the Risk Appetite level for the business and delegating responsibility of detailed oversight to Risk Committee. It also comprises the process or the risk owners who execute the controls to enhance the probability that the organization's objectives will be achieved.

2nd line of defence: Risk oversight
This comprises the Risk Management Committees and the Chief Risk Officer of the Company.

The Management evaluates the risks inherent within the business and ensures that they are appropriately captured within the business Risk Profile. The Chief Risk Officer ensures an understanding of Risk Management process throughout the organization in order to embed, improve continuously a risk awareness culture, work with business management to review and update the Risk and control register.

The Chief Risk Officer (CRO) is also responsible for implementing the policies and procedures contained in the risk framework. The role of the Chief Risk officer includes communicating the Company's risk profile to the Board and Management Committee as well as communicating the decisions of the Board and Risk Management Committee to the other members of the Company.

3rd line of defence: Independent assurance

It comprises the audit and internal control and the external auditors' function that provide independent and objective assurance of the effectiveness and adequacy of risk management control and governance processes.

Risk Appetite

The Company strives to drive its business initiatives without loss of value or unmitigated exposures to inherent risks. In order to improve the value of shareholders' wealth and remain profitable, the Company designed its appetite considering risk exposures at any given situation. The risk appetite represents the amount of risk exposure or potential adverse impact from an event that the Company is willing to accept/retain. The risk appetite of the Company is set by the Board of Directors annually, and it is aimed at minimizing erosion of earnings or capital due to avoidable losses in investment and underwriting records, or from frauds and operational inefficiencies. The Company's Risk Appetite objectives include:

i) Consistently strive to minimize overall cost of risk exposure and its management through effective risk mitigation practices.

ii) Optimization of capital employed through enhanced returns on equity

iii) Low appetite for operational risk. These risks are mitigated and controlled where the cost of control is equal to the marginal cost of the risk.

iv) Zero appetite to internal fraud activities.

Risk Management Policies and Procedures

The Enterprise Risk Management policies and procedures which have been strategically instituted aim at managing potential, inherent and residual risk categories in our operations.

The Board recognizes that risk management is critical to the achievement of corporate objectives and has actively encouraged a risk culture that embraces innovation and opportunity, calculated risk-taking and acceptance of risk which is inherent in all our activities, whilst reducing barriers to successful implementation of risk controls.

Risk Classification

The Company can be exposed to many types of risks while carrying on its business. Some of these include:

Market Risk/Investment Risk

This is the risk to a Company's financial condition resulting from adverse movements in the level or volatility of market prices. The Company has a structured process and basis for measuring and calculating the probability of loss and possible impact on the Company's capital resources caused by adverse changes in the price of stock and shares, property, exchange rates and other market conditions that are relevant. The Company has established investment limits in its operational guidelines and policy of assets diversification in line with NAICOM regulations to prevent over concentration and over exposure to any particular market.

Credit Risk

This is the risk that counterparty will default on payment or fail to perform an obligation to the Company. The Company has a system for conducting due diligence on the credit worthiness of any party to which it has credit exposure. The Company does not ordinarily grant credit facilities to third parties in the course of its business but could have low credit risk associated with redeeming of credit notes by Insurance Brokers in accordance with “No Premium No Cover” by NAICOM.

Our placements in banks is also determined by the rating (strength) of the bank and considers NAICOM guideline on limit of exposure to a single bank.

Operational Risk

This is the risk of loss from inadequate or failed internal processes, people and systems or from external events which arises from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud, or unforeseen disasters will result in unexpected losses. The Company has policies that cover risk that may arise from people, systems and internal process failures. The policies include staff recruitment, training, retention plans, succession plans, remuneration and welfare benefits, designing standard operating procedure and policies, driving compliance culture, process automation, Information Technology (IT) support systems, data integrity, IT systems access controls, etc.

Liquidity Risk

Liquidity risk exist when there is insufficient cash flow to meet the Company's operational and financial obligations and is usually associated with inability to liquidate assets or obtain funding from external sources to pay claims and other liabilities when due. The Company manages its liquidity risk through appropriate assets and liability management strategies through the Investment Committee. Monthly reports and review of liquidity gaps are conducted to assess the level of liquidity risk.

Reinsurance Risk

This is the risk of inadequate reinsurance cover to mitigate underwriting risk. It usually occurs when there is insolvency of a reinsurer, discovery of exposures without current reinsurance coverage, or exhaustion of reinsurance covers through multiple losses. The Company has documented reinsurance policies for adequate reinsurance arrangements and treaties for all categories of insurance business transacted. The policies include the process for Reinsurer selection, monitoring, claims recovery, etc.

Underwriting Risk

Underwriting is the process by which an insurer determines the conditions necessary and suitable to accept insurance risk. The risk crystallizes when there are severe and frequent claims against the Company's projected capacity. The Company has embedded internal control processes to guide its insurance business against the risk of unexpected losses and capital erosion. There is a well-documented underwriting policy and procedures which are enforced throughout the organisation.

Business Risk

The Company's business risk is associated with gaining market shares and remaining profitable. This risk is considered through documented process for product development and launch, business segment profitability analysis, stakeholder's engagement as well as being embedded in our brand.

Reputational Risk

This is the risk of events that could cause public distrust and damages to the Company's integrity, brand and goodwill especially in the eyes of the customers, regulators, competitors, and the general public. We manage reputational risk through a structured approach for defining and implementing core values and acceptable standard of behaviour which the staff are expected to follow while conducting the day to day business of the Company. The Company's risk assessment and monitoring process has embedded controls for testing reputational risk and the outcome of such exercise is communicated to the Board Risk Committee on a quarterly basis.

Legal/Compliance Risk Management

The Company has procedures to ensure that all statutory regulations are completely adhered to by the business unit at all times. These regulations include those set by NAICOM and other relevant agencies of government. There are internal control processes that identify potential breaches to the regulations and are promptly mitigated. Some of the control processes include:

a) Know -your-customer (KYC) procedure
b) Anti-money laundering/combating the financing of terrorism (AML/CFT)
c) Anti-bribery and corruption measures
d) Guidelines for adherence to Corporate Governance principles
e) Gift policies
f) Whistle blowing policies

Risk Report

Risk assessments are collated and presented in a report called the Risk Report. The risk report draws senior management's attention to the key risk as well as the adequacy of existing controls to mitigate the risk. The risk report provides a summary of the ratings of the significant risks and the probability of occurrence within a specific period. This helps to estimate and prevent the potential operational and financial losses.

Risk Control Self-assessment (RCSA)

The Company has a structure for risk assessment on periodic basis and this is known as Risk control self-assessment (RCSA). It involves the identification of procedures or assessments that need to be performed periodically to assure that key controls are in place and are working effectively as designed. The controls are proactively assessed through risk analysis of our processes and review of policy requirements, loss events, and audit findings. The Company then updates the controls required to accomplish policy requirements, test the processes and controls for adequacy of capability in risk mitigation. Risk Champions are engaged in each business or risk unit to facilitate the process of risk control self-assessment in the Company.

Health Safety and Environment (HSE) Management

The Health Safety and Environment Management has been instituted to provide and maintain safe healthy working conditions, work equipment and systems for all staff. This responsibility also extends to visitors, contractors and others who may potentially be affected by our activities.

The Health and Safety Policy framework strengthens the policy statements, roles and responsibilities of the HSE officer.

Business Continuity Plan (BCP)

The Business Continuity Plan (BCP) has been designed to ensure sustainability against operational threats and promote the continuity of critical operations in the event of a disaster or disruption to our operations. The BCP outlines contingency procedures to follow in the event of emergencies. We aim to improve on gaps identified during any testing period.

The Board, Enterprise Risk Management Committee of Veritas Kapital Assurance Plc hereby declares As follows:

a) The Company has systems in place to ensure compliance with NAICOM guidelines;

b) The Board is satisfied with the efficacy of the processes and systems surrounding the production of financial information of the Compa

c) The Company has in place a Risk Management Strategy, developed following the requirements of NAICOM's guideline on Enterprise Risk Management (ERM), setting out its approach to risk management; and

d) The systems that are in place for managing and monitoring risks, and the risk management framework, are appropriate to the company, having regard to such factors as the size, business mix and complexity of the company's operations

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting Entity

Veritas Kapital Assurance Plc ("the company") was initially incorporated under the name of Kapital Insurance Company Limited as a private limited liability company on the 8 August, 1973. on 14 March 2007, it acquired and merged withs two other insurance companies became a public limited liability company. its shares are quoted on the Nigerian Stock Exchange.

Its Head Office is located at 497 Abogo Largema Street, Off constitution Avenue, Central Business District, Abuja Nigeria.

The Company has 91.46% equity interest in Health Care Security Limited and 70% interest in Veritas Glanvills Pensions Limited and 51.53% in Goldlink Insurance Plc. The company comprises of two subsidiaries, an associate and the parent company.

1.2 Principal Activities

The principal business of the company is underwriting of non-life insurance risks.

The subsidiaries activities are:
Veritas Glanvills Pensions Limited, the administration and management of pension fund assets.

Health Care Security Limited provision of health insurance.

1.3 Components of Financial Statements

The Consolidated Financial statements comprise the Statements of Comprehensive income, statements of Financial Position, Statement of Changes in Equity, Statements of Cash Flows, and the accompanying Notes.

Income and expenses (excluding the components of other comprehensive income) are recognised in the profit or loss segment of comprehensive income to arrive at the profit for the year.

Other comprehensive income is recognised in the other comprehensive segment of the statement of other comprehensive income and comprises items of income and expenses that are not recognised in the statmement of profit or loss as required or permitted by IFRS.

The addition of the profit for the year and the other comprehensive income gives the total comprehensive income for the year.

Reclassification adjustments are amounts reclassified to statement of comprehensive income in the current period that were recognised in other comprehensive income in the current or previous periods. Transactions with the owners of the company in their capacity as owners are recognised in the statement of changes in equity.

1.4 Basis of preparation and measurement

The Consolidated and separate financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act, Insurance Act, 2003 and regulatory guidelines as pronounced from time to time by National Insurance Commission (NAICOM). Historical cost basis was used in preparation of the financial statements as modified by the certain items of:

- Property plant and equipment at valuation
- investment property at fair value
- investment at fair value
- impaired assets at their recoverable amounts

1.5 Compliance with IFRS

These Consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) Interpretations applicable to companies reporting under IFRS as issued by the International Accounting Standards Board (IASB). Additional information required by national regulations have been included where appropriate

1.6 Going Concern status

The consolidated financial statements have been prepared on the going corcern basis. The company has no intention or need to reduce subtantially its business operations. The management believes that the going concern assumption is appropriate for the company and company due to sufficient liquidity and based on historical experience that shortterm obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the company is carried out to ensure that there are no going concern threats to the operation of the company.

1.7 Significant judgements and key sources of estimation uncertainty

In the process of applying the accounting policies adopted by the company, the Directors make certain judgements and estimates that may affect the carrying values of assets and liabilities in the next financial period. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. the directors evaluate these at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available.

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. however, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustement to the carrying amount of the asset or liability affected in the future. these factors should include:

The judgements made by the directors in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

- **Claims arising from insurance contracts**

  Liabilities for unpaid claims are estimated on a case by case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the company deems liabilities reported as adequate.

- **Fair value of unquoted equity financial instruments**

  The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. In these cases, the fair values are estimated from observable data using valuation models.

- **Property, Plant and equipment**

  Property, Plant and equipment represent one of the most significant proportion of the asset base of the company, accounting for about 26% of the company's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the company's financial position and performance.

  The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in the statmeent of comprehensive income.

  The useful lives and residual values of the property, plant and equipment are determined by management based on historical experience as well as anticipation of future events and circumstances which may impact their useful lives.

- **Taxation**
  Whether it is probable that future taxable profits will be available against which temporary differences can be utilized; and

1.8 Functional and presentation currency

The consolidated financial statements are presented in Nigerian Naira (Naira), rounded to the nearest thousand, this is also the functional currency of the company.

1.9 Changes in accounting policy and disclosures

New and amended standards and interpretations

The Company applied for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.
The Company has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7

In September 2019, the IASB issued amendments to IFRS 9, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have financial instruments that reference IBORs at 31 December 2020 or apply hedge accounting to any of its benchmark interest rate exposures.

Definition of a Business – Amendments to IFRS 3

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. The amendments remove the assessment of whether market participants can replace any missing inputs or processes and continuing to produce outputs. The amendment clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The Company has adopted the amendments to IFRS 3 for the first time in the current year.

The amendments remove the assessment of whether market participants can replace any missing inputs or processes and continuing to produce outputs. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

Amendments to IAS 1 and IAS 8 Definition of material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The Company has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to, the Company.

The Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist the Board n developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The Company has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncement regarding references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC- 32. These amendments had no impact on the financial statements of the Company.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

The IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:
a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
c) There is no substantive change to other terms and conditions of the lease in the current financial year. The company has not applied the amendment to IFRS 16 (as issued by the IASB in May 2020) as it did not receive any COVID-19 related rent concession on its lease.

1.10 Summary of significant accounting policies

1.10.1 Introduction to summary of accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New and amended standards and interpretations not yet adopted by the Company

Amendments to the following standard(s) became effective in the annual period starting from 1st January, 2019. The new reporting requirements as a result of the amendments and/or clarifications have been evaluated and their impact or otherwise are noted below:

IFRS 16 Leases

The IASB issued the new standard for accounting for leases - IFRS 16 Leases in January 2016. The standard does not significantly change the accounting for leases for lessors. However it requires lessees to recognise most leases on their balance sheets as lease liabilities, with the corresponding right-of-use assets. Lessees must apply a single model for all recognised leases, but will have the option not to recognise 'short-term' leases and leases of 'low-value' assets. Generally, the profit or loss recognition pattern for recognised leases will be similar to today's finance lease accounting, with interest and depreciation expense recognised separately in the statement of profit or loss.

Amendments to IAS 19

This amendment was issued 7 February 2018 and became effective 1 January 2019. It prescribes the accounting for all types of employee benefits except share-based payment, to which IFRS 2 applies. Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. IAS 19 requires an entity to recognise:

• a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and

• an expense when the entity consumes the economic benefit arising from the service provided by an employee in exchange for employee benefits.

The amendments clarify that:

• on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and

• the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income (OCI).

This amendment has no material impact on the company.

IFRIC 23 – Uncertainty over Income Tax Treatments

This standard which became effective 1 January 2019, clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit(tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over tax treatments under IAS 12. The Company has considered the guidiance included within the interpretation and concluded that the prescribed approach does not have a material impact on the company.

Amendments to IFRS 2 - Share Based Payment - Classification and measurment of share based payment transactions

This standard clarifies classification and measurement of share based payment transactions with net settlement features for withholding tax obligations (i.e. equity settled share based payment for employees and cash settled share based payment for withholding taxes). It grants an exemption to alleviate operational issues encountered in dividing the share based payment into cash-settled and equity-settled component. The amendments also clarify modifications to terms and conditions that change classifications from cash-settled to equity-settled as well as application of non-market vesting conditions and market non-vesting conditions. These amendments do not have any material impact on the company

Standards and interpretations issued/amended but not yet effective

The company has not applied the following new or amended standards in preparing these consolidated and separate financial statements as it plans to adopt these standards at their respective effective dates. Commentaries on these new standards/amendments are provided below.

New or amended standards and effective date	Summary of the requirements
IFRS 17 Insurance Contracts	"IFRS 17 was issued in May 2017 as replacement to IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured in each reporting period. Contracts are measured using the building blocks of: - discounted probability-weighted cash flows - an explicit risk adjustment, and - a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. "There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features. At its March 2020 meeting, the IASB tentatively decided to defer the effective date of IFRS 17 by two years, such that entities would apply the amended Standard for annual periods beginning on or after January 1, 2023. The IASB also tentatively decided on a consequential amendment to IFRS 4 Insurance Contracts to defer the fixed expiry date for the temporary exemption from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	"In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: - What is meant by a right to defer settlement - That a right to defer must exist at the end of the reporting period - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification - That classification is unaffected by the likelihood that an entity will exercise its deferral right. - that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that "In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: - What is meant by a right to defer settlement - That a right to defer must exist at the end of the reporting period - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
Reference to the Conceptual Framework – Amendments to IFRS 3	In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.
IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.
IAS 41 Agriculture – Taxation in fair value measurements	As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

Amendments to IFRS 3: Covid-19 Related Rent Concessions	On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Company.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgmental and entities need to consider the definition carefully in such transactions. The amendments must be applied prospectively. Early application is permitted and must be disclosed. In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.
Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	On 27 August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9 Financial Instruments (IFRS 9), IAS 39 Financial Instruments: Recognition and Measurement (IAS 39), IFRS 7 Financial Instruments: Disclosures (IFRS 7), IFRS 4 Insurance Contracts (IFRS 4) and IFRS 16 Leases (IFRS 16). With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred. "Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognised. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognised in profit or loss. The practical expedient is required for entities applying IFRS 4 Insurance Contracts that are using the exemption from IFRS 9 Financial Instruments (and, therefore, apply IAS 39 Financial Instruments: Classification and Measurement) and for IFRS 16 Leases, to lease modifications required by IBOR reform. The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Permitted changes include redefining the hedged risk to reference an RFR and redefining the description of the hedging instruments and/or the hedged items to reflect the RFR. Entities are allowed until the end of the reporting period, during which a modification required by IBOR reform is made, to complete the changes. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 and IAS 39 to measure and recognise hedge ineffectiveness. Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR. The cash flow hedge reserve is released to profit or loss in the same period or periods in which the hedged cash flows based on the RFR affect profit or loss. For the IAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero. This relief applies when the exception to the retrospective assessment ends. For the IAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero. This relief applies when the exception to the retrospective assessment ends. The amendments provide relief for items within a designated company of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued. As items within the hedged company transition at different times from IBORs to RFRs, they will be transferred to sub-companys of instruments that reference RFRs as the hedged risk. As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform. The phase two reliefs cease to apply once all changes have been made to financial instruments and hedging relationships, as required by IBOR reform. The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. The relief allows entities upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Hedging relationships must be reinstated if the hedging relationship was discontinued solely due to changes required by IBOR reform and it would not have been discontinued if the phase two amendments had been applied at that time. While application is retrospective, an entity is not required to restate prior periods. IFRS 7 Financial Instruments: Disclosures includes the following: - How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform - Disaggregated by each significant IBOR benchmark, quantitative information about financial instruments that have yet to transition to RFRs

1.11 **Presentation of financial statements**

The company presents its statements of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the Notes.

2 **Summary of Significant Accounting Policies**

The principal accounting policies adopted in the preparation of these consolidated ans separate financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.1 **Foreign currencies**

On initial recognition, all transactions are recorded in the functional currency (the currency of the primary economic environment in which the company operates or transact business), which is Nigerian Naira. Transactions in foreign currencies during the year are converted into the functional currency using the exchange rate prevailing at the transaction date.

Monetary assets and liabilities at the statement of financial position date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign echange gains and losses from the settlement of such transactions and from year-end translation are recognised on a net basis in the income statements in the year in which they arise, except for difference arising on transalation of non-monetary available-for-sale financial assets, which are rcognised in other comprehensive income.

2.2 **Segment reporting**

A segment is a distinguishable component of the company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

An operating segment is a component of an entity:
- That engages in buisness activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).
-Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance of the same entity)

-For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues for example startup operations may be operating segments before earning revenues.

The Company currently operates a single line of business and entirely within a geographical region.

2.3 **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. cash equivalents have a maturity period of less than or equal to three months.

2.4 **Financial instruments**

Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instrument.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction cost are expensed in the income statement.

The Company classifies financial instruments or their components parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement. Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition. Classification is re-assessed on annual basis.

Regular-way purchases and sales of financial assets are recognised on settlement date which is the date on which the Company commits to purchase or sell the asset. Financial instruments are initially measured at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. These transaction costs are expensed in the income statement.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

For a financial guarantee contract, as the company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the company expects to receive from the holder, the debtor or any other party.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement

Derecognition of financial instruments

Previously recognised financial assets are derecognised when either the contractual rights to receive the cash flows from these assets have ceased to exist or the assets expire or the Company transfers the assets such that the transfer qualifies for derecognition. The decision as to whether a transfer qualifies for derecognition is made by appllying a combination of risks, rewards and control tests.

Collateral (shares and bonds) furnished by the Company under standard repurchase agreements and securities lending and borrowing transactions is not derecognised because the Company retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as pledged assets, if the transferee has the right to sell or repledge them.

Derecognition of a financial liability occurs only when the obligation is extinguished. A financial liability is said to be extinguished when the obligation is discharged, cancelled or expired.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Hedge Accounting

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about a Company's risk management activities have also been introduced.

Financial assets

a) Classification and subsequent measurement

For the purpose of measuring a financial asset after initial recognition, IFRS 9 classifies financial assets into the following categories: at fair value through profit or loss; at fair value through other comprehensive income and at amortised cost. The classification is based on the results of the Company'r business model test and the contractual cashflow characteristics of the financial assets. The category relevant to the company as at 31 December 2019 are fair value through profit or loss; at fair value through other comprehensive income and at amortised cost. At initial recognition all assets are measured at Fair Value.

i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and those designated by the Company as at fair value through profit or loss upon initial recognition. Financial assets classified as held through profit or loss are those that have been acquired principally for the purpose of selling in the short term or repurchasing in the near term, or held as part of a portfolio that is managed together for short-term profit.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to profit or loss. Gains and losses arising from changes in fair value are included directly in profit or loss and are reported as 'Net gains/(losses) on financial assets classified as held for trading'. Interest income and expense and dividend income on financial assets held for trading are included in 'Discount and similar income' or 'Other operating income', respectively. Fair value changes relating to financial assets designated at fair value through profit or loss are recognised in 'Net gains from financial assets held for trading'.

ii) Amortised Cost

Except for financial assets that are designated at initial recognition as at fair value through profit or loss a financial asset is measured at amortised cost only if both of the following conditions are met:

a. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (the business model test) and

b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

If a financial asset satisfies both of these conditions, it is required to be measured at amortised cost unless it is designated as at fair value through profit or loss (FVTPL) on initial recognition

iii) Fair Value through other comprehensive income (FVTOCI)

Except for financial assets that are designated at initial recognition as at fair value through profit or loss, a financial asset is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (the business model test); and

b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flows characteristics test).

b) Impairment of financial assets

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, a Company always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

The Company recognizes loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:
Financial assets that are debt instruments, Lease receivables, Loan and advances to customers, Other Loans and receivables, Financial guarantee contracts issued; and Loan commitments issued. The Company measures expected credit losses and recognizes interest income on risk assets based on the following stages:

Stage 1: Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, the Company recognize a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.
Stage 2: Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, the Company measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the EIR multiplied by the gross carrying amount.
Stage 3: Credit impaired. For debt instruments that have both a significant increase in credit risk plus observable evidence of impairment .

The Company's process to assess changes in credit risk is multi-factor and has three main elements;

I. Quantitative element , a quantitative comparison of PD at the reporting date and PD at initial recognition
II. Qualitative elements
III. Backstop indicators

For individually significant exposures such as corporate and commercial risk assets, the assessment is driven by the internal credit rating of the exposure and a combination of forward-looking information that is specific to the individual borrower and forward-looking information on the macro economy, commercial sector (to the extent such information has not been already reflected in the rating process).
For other exposures, significant increases in credit risk is made on a collective basis that incorporates all relevant credit information, including forward-looking macroeconomic information. For this purpose, the Company companys its exposures on the basis of shared credit risk characteristics.

Significant increase in credit risk

The Company decision on whether expected credit losses are based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk since initial recognition. An assessment of whether credit risk has increased significantly is made at each reporting date. When making the assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. This forms the basis of stage 1, 2 and 3 classification and subsequent migration.
The Company applies qualitative and quantitative criteria for stage classification and for its forward and backward migration

i) Assets carried at amortised cost

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in income statement. If a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from disposal less costs for obtaining and selling the collateral, whether or not disposal is probable.

For the purposes of a collective evaluation of impairment, financial assets are companyed on the basis of similar credit risk characteristics (i.e. on the basis of the Company's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for companys of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a company of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the company and historical loss experience for assets with credit risk characteristics similar to those in the company. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for companys of assets are reflected and directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the company and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Company to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Impairment charges relating to loans and advances to banks and loans and advances to customers are classified in 'impairment charge for credit losses' whilst impairment charges relating to investment securities (loans and receivables categories) are classified in 'Net gains/(losses) on investment securities'.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

ii) Assets classified as fair value through other comprehensive income

The Company can choose to make an irrevocable election at initial recognition for investments in equity instruments that do not meet the definition of held for trading, which would otherwise be measured at fair value through profit or loss, to present changes in fair value in other comprehensive income.
Reclassification of amounts recognised in other comprehensive income and accumulated in equity to profit or loss is not done. This applies throughout the life of the instrument and also at derecognition; such investments will not be subject to the impairment requirements.
Dividends on investments in equity instruments with gains and losses irrevocably presented in other comprehensive income are recognised in profit or loss if the dividend is not a return on investment (like dividends on any other holdings of equity instrument) when:

a. the Company's right to receive payment of the dividend is established;
b. it is probable that the economic benefits associated with the dividend will flow to the Company; and
c. the amount of the dividend can be measured reliably.

For debt instruments measured at FVTOCI, changes in fair value is recognised in other comprehensive income, except for: interest calculated using the effective interest rate method, foreign exchange gains or losses and; impairment gains or losses until the financial asset is derecognised or reclassified.
When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Also, when a debt instrument asset is measured at fair value through other comprehensive income, the amounts that are

c) Reclassification of financial assets

Reclassification of financial assets is determined by the Company's senior management, and is done as a result of external or internal changes which are significant to the Company's operations and demonstrable to external parties.
Reclassification of financial assets occurs when the Company changes its business model for managing financial assets.
Investments in equity instruments that are designated as at FVTOCI at initial recognition cannot be reclassified because the election to designate as at FVTOCI is irrevocable.

Financial liabilities

Classification and subsequent measurement

The Company's holding in financial liabilities represents mainly Insurance Contract Liabilities, 'trade payables' and 'other liabilities'. These are all classified as financial liabilities measured at amortised cost. These financial liabilities are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Fees paid on the establishment of the liabilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

The classification of the Company's financial instruments have been summarised in the table below:

Category		Classes as determined by The Company		Subclasses
Financial assets	Financial assets at fair value through profit or loss	Listed Securities		Quoted Equities
	Amortized cost	Cash and balances with Central bank of Nigeria		Cash
				Statutory deposit with CBN
				Current account balances
				Placements
		Loans and advances to customers		FGN Treasury Bills
				Staff loans
		Investment securites	Listed debt	Corporate bonds
		Other assets		Fees receivable
				Intercompany receivable
				Other receivables
	Fair value through other comprehensive income	Listed Securities		Quoted Equities
				Unquoted Equities
		Unlisted securities		
Financial liabilities	Financial liabilities at amortised cost	Insurance contract liabilities		Accruals
				Payables
		Trade payables		Other creditors
				Outstanding claims
				Unearned premiums
		Other liabilities		

Measurement

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss where transaction cost are expensed in the income statement.

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

At initial recognition, the best evidence of the fair value of a financial instrument is the transaction price (i.e. the fair value of the consideration paid or received), unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on valuation techniques such as discounted cash flow models and option pricing models whose variables include only data from observable markets.

Subsequent to initial recognition, for financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges (for example, Nigerian Stock Exchange (NSE) and Financial Markets Dealers Quotation (FMDQ)).

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry company, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs existing at the dates of the statement of financial position.

Forward-Looking Information

In the context of IFRS 9 , is an enhanced information set that includes credit information pertaining to future developments (including for example macroeconomic developments). The inclusion of forward-looking information along with traditional past due (realized, historical) information is considered to produce comprehensive credit risk information.

The inclusion of forward-looking information is a distinctive feature of an IFRS 9 ECL model. Incorporating economically stressed states of the world and their potential impact on credit performance is critical for the timely recognition of credit losses.

2.5 Trade/Pension receivables

Receivables are recognised when due. These include amounts due from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the company reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income astatement. The company gathers the objective evidence that an insurance receivables impaired using the same methodology adopted for fiancnail assets held at amortised cost. the impairment loss is calculated under the same method used for these financial assets.

2.6 Reinsurance

The company cedes insurance risk in the normal course ofd business for all of its businesses.

2.6.1 Reinsurance assets

Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims or insurance contract liabilities associated with the reinsurers policies and are in accordance with the related reinsurance contract. reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. impairment ocurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the company will receive from the reinsurer. the impairment loss recorded in the statmeent of profit or loss and other comprehensive income.

Gains or losses on buying resurance are recognised in the income statement immediately at the date of purchase and are not amortised. Ceded reinsurance arrangements do not relieve the company from its obligation to policy holders.

2.6.2 Reinsurance Liabilities

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The company has the right to set-off re-insurance payables against amount due from re-insurance and brokers in line with the agred arrangement between both parties.

2.7 Deferred Policy Acquisition Costs (DAC)

Acquisition cost comprise all direct and indirect costs arising from the writing of non-life insurance contracts. Deferred acquisition costs represent a proportion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. it i calculated by applying to the acquisition expenses that ratio of unearned premium to written premium.

2.8 Prepayment

prepayments are carried at cost less accumulated impairment losses.

2.9 Consolidation

2.9.1 Subsidiaries

The financial statements of subsidiaries are consolidated from the date the company acquires control, up to the date that such effective control ceases. For the purpose of these financial statements, subsidiaries are entities over which the company, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Changes in the company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). Any difference between the amount by which the non-cotnrolling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the company.

Inter-company transactions, balances and unrealised gains on transactions between companies within the company are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the exten that there is no evidence of impairment.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the company. Investment in subsidiaries in the separate financial statements of the parent entity is measured at cost.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

2.9. 1a **Disposal of Subsidiaries**

On loss of control, the company derecognizes the assets and liabilities of the subsidiary, any controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

2.9.2 **Investment in Associates**

As associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 - Noncurrent Asset Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognize the company's share of the profit or loss and other comprehensive income of the associate. when the company's share of losses of an associate exceeds the company's interest in that associate (which includes any long-term inetrest that, in substance, form part of the company's net investment in the associate), the company discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the company has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the company's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Imapirment of Assets as a single asset by compring its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recgnised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a company entity transacts with its associate, profits and losses resulting from the trnsactions with the associate are recognised in the company's consolidated financial statements only to the extent of interests in the associate that are not related to the company.

2.10 Investment Properties

Investment property is property held on earn rentals or for capital appreciation or both. Investment property, including interest in leasehold land, is initially recognised at cost including the transaction costs. Subsequently, investment property is accried at fair value representing the open market value at the statement of financial position date determined by annual valuation carried out by external registered valuers. gains or losses arising from changes in the fair value are included in determining the profit or loss for the year to which they relate.

Investment properties are derecognized when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is charged or credited to profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the company accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use

When the company completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recgnised in the income statement.

2.11 Intangible Assets

Software license costs and computer software that is not an integral part of the related hardware are initially recognised at cost, and subsequently carried at cost less accumulated amortization and accumulated impairment losses. Costs that are directly attributable to the production of identifiable computer software products controlled by the company are recognised as intangible assets.

Amortization is calaculated using the straight line method to write down the cost of each license or item of software to its residual value over its estimated useful life.

Amortization begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner inetnded by management, even when idle. Amortization ceases at the earlier date that the asset is classified as held for sale and the date that the asset is derecognized and ceases temporarily, while the residual value exceeds or is equal to the carrying value.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset it derecognized.

Intangibles recognised as assets are amortized over their useful lives, which does not exceed five years.

2.12 Goodwill

Goodwill arising on an acquisition of a business is acrried at cost as established at the date of acquisition of the business (see 4.9 above) less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the company's cash generating units (or companys of cash-gerenating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated (statement of comprehensive income/income statement). An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The company's policy for goodwill arising on the acquisition of an associate is described at 2.9.2 above.

2.13 Property, Plant and Equipment

All catergories of property and equipment are initially recgnised at cost. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system that is an integral part of the related hardware is capitalized as part of the computer equipment

Work in progress owner-occupied property that are included in property, plant and equipment are stated at cost to date and are not yet decomponetised as the asset has not been put into use.

Subsequent cost are included in the asset's carrying amount or recgnised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance expenses are charged to the income statement in the year in which they are incurred.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised inother comprehensive income. All other decreases are charged to the statement of profit or loss.

Freehold land is not depreciated. Depreciation is calculated using the straight line method to write down the cost or the revalued amount of each asset to its residual value over its estimated useful life using the following annual rates:

Leasehold land	**0%**	**Over the lease period**
Buildings	2%	2%
Furniture & Fittings	20%	20%
Office Equipment	20%	20%
Computer Equipment	20%	20%
Plant & Equipment	20%	20%
Motor Vehicles	25%	25%

Depreciation on an item of property, plant and equipment commences when it is available for use and contnues to depreciate until it is derecognized, even if during that period the item is idle. Depreciation of an item ceases when the item is retired from active use and is being held for disposal

Where no parts of items of property, plant and equipment have a cost that is significant in relation to the total cost of the item, the same rate of depreciation is applied to the whole item.

The assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amounts and are taken into account in determining operating profit.

2.14 Statutory Deposits

Statutory Deposit represents 10% of the paid up capital of the Company deposited with the Central Bank of Nigeria (CBN) pursuant to Section 10(3) of the Insurance Act 2003.
Statutory deposit is measured at cost.

2.15 Insurance Contract Liabilities

Contract that are classified as insurance contracts are those under which the company underwrites significant insurance risk from another party (the broker or insured) by agreeing to compensate the insured or other beneficiary if a fortuitous random event (the insured event) adversely affects the policyholder or other beneficiary.

2.15.1 **Types of Insurance Contracts**

Insurance contract may be non-life or life. The company issues only ono-life insurance contracts. Non-life insurance contracts are accident, casualty and property insurance contracts.

Accident and casualty insurance contracts protect the company's customers against the risk of causing harm to third parties as result of their legitimate activities. Damagaes covered include both contractual and non-contractual events. The typical protection offered is deigned for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or peroperty damage (public liability).

Property insurance contracts mainly compensate the company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial actviities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business actviities (business interruption cover).

Non-life insurance contracts protect the company's customers from the consequences of events (such as death or disability) that would affect the ability of the customeror his/her dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policy holder. there are no maturity or surrender benefits.

2.15.2 **Recognition and measurement of non-life insurance contracts**

a. For all non-life insurance contract, premiums are recognised as revenue (earned premiums) proportionally over the period of covergae. The portion of premium received on in-force contracts that relates to enexpired risks at the balance sheet date is reported as the unearned premium liability. Premiums are shown before deduction of commission.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. They include direct and indirect claims settlement costs and arise from events that have occured up to the end of the reporting periof even if they have not yet been reproted to the company. The company does not discount its liabilities for unpiad claims.

Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the company and satistical analyses for the claims incurred but not reported, and to estimate the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

b. Salvages

Some non-life insurance contracts permit the company to sell (usually damaged) property acquired in the process of settling a claim. The company may also have the right to pursue third parties for payment of some or all costs of damages to its client's property (i.e subrogation right).

Salvage recoveries are used to reduce the claim expense when the claim is settled.

c. Suborgation

Suborgation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss. A receivable for subrogation is recognized in other assets when the liability is settled and the company has the right to receive future cash flow from the third party.

d. Deferred Income

Deferred Income represents a proportion of commission received on reinsurance contracts which are booked during a finacialy year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated by applying to the reinsurance commssion income the ratio of prepaid reinsurance to reinsurance cost.

e.Reinsurance Contracts held

Contracts entered into by the company with reinsurers under which the company is compensated for losses on one or more contracts issued by the company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet these classification requirements are classified as financial assets. Insurance contracts entered into by the company under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

f. Technical Resrves

These are computed in accordance with theprovisions of section 22 of the insurance Act 2003 as follows:

* Reserve for unearned premium: In compliance with Section 20() (a) of Insurance Act 2003, the reserve for unearned premium is calculated on a time apportionmnet basis in respect of the risks accpeted during the year.
* Reserve for outstanding claims: The reserve for outstanding claims is maintained ta the total amount of outstanding claims incurred and reported plus claims insurred but not reported ("IBNR") as at the balance sheet date. The IBNR is based on the liability adequacy test.

g. Liability Adequacy Test

At each end of the reporting period, liability adequacy tests are performed by an Actuary to ensure the adequacy of the contract liabilities net of related DAC assets. In performing these tests, current best estinmates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Any deficiency is immediately charged to profit or loss initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests "the enexpired risk provision".

The provisions of the Insurance Act 2003 require an actuarial valuation for life insurance reserves only. However, IFRS 4 requires a liability adequacy test for both life and non-life insurance reserves. The provision of section 59 of the Financial Reporting Council Act 2011 gives superiority to the provision of IFRS and since it results in a more conservative reserving than the provision of the Insurance Act 2003, it serves the company's prudential concerns well.

2.16 Trade and other Payables

Trade and other payables are recognised initially at fair value and subsequently mearsured at amortized cost using the effective inetrest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year discounting is omitted.

2.17 Retirement Benefit Obligations

Pension Cost

The company operates a defined contributory retirement benefit scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the company pays fixed contributions of 10% of emoluments as defined by the Act to Pension Fund Administrators; employees also pay a fixed percentage of 8% to the same entity. Once the contributions have been paid, the company retains no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan.

2.18 Provisions

General Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recgnised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. if the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 Current Income Tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Nigeria Income Tax Act. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

2.19.1 Deferred Income Tax

Deferred income tax is provided in full on all temporary differnces except those arising on the initial recognition of an asset or liability.

Deferred income tax is determined using the liability method on all temporary differnces arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the statement of financial position date and expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. unrecgnized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will aloow the deferred tax asset to be recovered.

Defferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax realting to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off such:

* Current tax assets against current income tax liabilities and
* The deferred taxes relate to the same taxable entity and
* The same taxation authoirty

2.20 Share Capital and Share Premium

Ordinary shares are recognized at par value and classified as 'share capital' inequity. Any amounts received over and above the par value of the shares issued are classified as 'share premium' in equity.

2.21 Statutory Contingency Reserve

The company maintains contingency reserves in accordance with the provisions of Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the net profits

2.22 Retained Earnings

The retained earnings represent the amount available for dividend distribution to the equity shareholders of the company. See statement of changes in equities for movement in retained earings.

2.23 Assets Revaluation Reserve

This represents the company's revaluation reserve emanating from revaluation of certain assets

2.24 Income Recgnition

2.24.1 **Gross Premiums**

Gross premiums on insurance contract are recognized as revenue when payable by the policy holder.

For single premium business revenue is recognised on the date on which the policy is effect.
Gross insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods.

Premiums collected by intermediaries, but not yet received, are assessed based on estimates from underwriting or past experience and are included in premiums written.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned premiums are calculated on a daily pro rata basis. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

2.24.2 Reinsurance Premiums

Gross reinsurance premiuns on insurance contracts are recognized as an expense when payable or on the date on which the policy is effective. Gross reinsurance premiuns written comprise the total premiums payable for the whole cover provided by contracts entered into the period and are recgnised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned premiums are deferred over the term of the underlying direct insurance policies for risks attching contracts and over the term of the reinsurance contract for losses-occurring contracts.

2.24.3 **Commission income**

Fees and commission income during the year is the income the company is entitled to for ceding businesses to the reinsurers and co-insurers. In accordance with IFRS 15 (Revenue from Contracts with Customers), fees and commission income is recognized over time, covering the policy period over which services are expected to be provided, using the time apportionment basis. Fees and commission covering the reporting period are recognized in profit or loss as fees and commission income earned, while the unearned portion of fees and commission income is reported in the statement of financial position as deferred commission income.

2.24.4 **Investment Income**

Interest income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument.

Investment income also includes dividend income which is recognised when the right to receive the payment is established.

Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease terms.

2.24.5 **Management and Administrative Fees**

Management Fee

Management fee, an asset based fee is charged as a percentage of the opening net assets value of the pension fund investments at the beginning of the year of charge for the Retirement Savings Account (RSA). It is accrued daily upon portolio valuation while the actual charge is effected agaianst the Fund within five working days of the month end. Fee for the Retiree Account is computed based on 5% of income earned on the fund.

Administrative Fee

Administrative fee is calculated as a flat charge payable monthly from contributions received. It is deducted before converting contributions into accounting units of pension fund assets.

2.24.6 **Realized/Unrealized Gains and Losses**

Realized or unrealized gains and losses recorded in the icnome statement on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales of investments are calculated as the differnce between net sales proceeds and the original carrying or amortized cost and are recorded on occurrence of the sale transaction

2.25 Claims and Expenses Recognition

2.25.1 **Gross Benefits and Claims**

Claims incurred in respect of Insurance contracts include the cost of all claims arising during the year including internal and external claims handling costs that are directly related to the processing and settlement of claims as well as chnages in the gross valuation of insurance and investment contract liabilities. All claims paid and incurred are charged against revenue as expenses when incurred.

2.25.2 **Reinsurance Claims**

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

2.26 Interest Income and Expense

Interest income and expense are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash (or, where appropriate, the next re-pricing date) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the entity estimates future cash flows considering all contractual terms of the financial instruments but not future credit losses.

The calculation of the effective interest rate includes contractual fees and points paid or received transaction costs and discounts or premium that are integral part of the effective interest rate.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the financial statement include:

* Interest on financial assets and liabilities measured at amortized cost claculated on an effective inetrest basis

* Interest on financial assets measured at fair value through profit or loss calculated on an effective ininterest rate basis.

2.27 Expenses

Expenses are recognised in the icnome statement when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. This means, in effect, that recgnition of expenses occurs simultaneously with the recognition of an increase in liabilities or a decrease in assets (for example, the accrual of employee entitlements or the depreciation of equipment)

When economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indircetly determined, expenses are recognised in the income statement on the basis of systematic and rational allocation procedures.

This is often necessary in recgnizing the equipment associated with the using up of assets such as property, plan and equipment in such cases the expense is referred to as a deprecition or amortization. These allocation procedures are intended to recognise expenses in the accounting periods in which the economic benefits associated with these items ae consumed or expire. an expense is recognised immediately in the income statement when expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

2.27.1 **Underwriting Expenses**

Underwriting expenses comprise acquisition costs and other underwriting expenses. Acquisition costs comprise all direct and indirect costs arising from writing insurance contracts. These cost are charged in the income statement in the period they are incurred.

2.28 Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. an asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or companys of assets. In assessing value in use, he estimated future cash flows are discounted to their present value using a pre-disount rate that reflects current market assessments of the time value of money and the risks specific to the asset. in determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the income statement in those expenses categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to comprehensive income. in this case the impairment is also recognised in comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reproting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of recoverable amount. A previous impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. if that is the case the carrying amount of the asset is increased to its recoverable amount.

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recongised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.29 Earnings Per Share

The company presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the company by the number of shares outstnaidng during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.30 Dividends

Dividends on ordinary shares are recognised as a liability in the year in which they are approved by the company's shareholders. Proposed dividends are not recognised in equity until they have been declared at a general meeting. Dividends for the year that are approved after the statement of financial position date are dealt with as a non-adjusting event after the statement of financial position date.

2.31 Comparatives

Where necessary, comparative have been adjusted to conform to changes in presentation in the current year. Where changes are made and affect the statement of financial position, a third statement of financial position at the beginning of the earliest period presented is presented together with the corresponding notes.

2.32 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be cofirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within within the control of the company or the company has a present obligation as a result of past events which is not recognised because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liablities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to crystalise.

2.33 Contingent assets

Contingent assets are not recognised in the financial statements but are disclosed when, as a result of the past events, it is highly likely that economic benefits will flow to the company, but this will only be confirmed by the occurrence or non-occurence of one or more uncertain future events which are not wholly within the company's control.

Statement of Financial Position
As at 30 June, 2021

	Note	30-Jun-2021 Company N'000	31-Dec-2020 Company N'000
ASSETS			
Cash and cash equivalents	3	3,625,056	3,375,996
Financial assets	4	3,280,673	3,003,027
Trade receivable	5	98,950	83,679
Reinsurance assets	6	797,556	1,025,756
Deferred acquisition cost	7	202,505	119,379
Other receivables and prepayments	8	268,935	213,113
Investment in subsidiaries	9	1,576,300	1,576,300
Investment in Associates	10	-	
Investment properties	11	69,000	289,439
Goodwill	12	-	-
Intangible assets - Software	13	22,820	25,299
Property, plant and equipment	14	3,039,925	2,990,799
Statutory deposits	15	355,000	355,000
Deferred tax asset	21.1	-	-
Total Assets		**13,336,720**	**13,057,787**
Liabilities:			
Insurance contract liabilities	16	2,653,090	2,849,493
Trade payables	17	769,008	686,295
Employees retirement benefit obligations	18	-	-
Provision and other payables	19	454,996	488,717
Income tax liabilities	20	46,449	30,969
Deferred Tax Liabilities	21.2	310,094	310,094
Total Liabilities		**4,233,636**	**4,365,568**
EQUITY & LIABILITIES			
Share capital & reserves:			
Issued and paid up share capital	22	6,933,333	6,933,333
Share premium	23	663,600	663,600
Statutory Contingency reserves	24	1,214,723	1,121,845
Retained earnings	25	(1,563,314)	(1,881,302)
Asset revaluation reserve	26a	1,809,597	1,809,597
Fair value reserve	26b	45,146	45,146
Non Controlling interest(NCI)	38		-
Total Equity		**9,103,084**	**8,692,219**
Total Equity & Liabilities		**13,336,720**	**13,057,787**

These financial statements were approved by the Board on 27 July 2021 and signed on its behalf by:

....	....
Mojeed Somorin	**Kenneth Egbaran**
Chief Financial Officer	**Managing Director**
FRC/2017/ICAN/00000016849	**FRC/2015/CIIN/00000011953**

The statement of significant accounting policies and the accompanying notes to the account form an integral part of these financial statements.

Statement of Profit or Loss and Other

Comprehensive income for the period ended 30 June 2021

	Note	January- June Company 2021 N'000	January- June Company 2020 N'000	April - June Company 2021 N'000	April - June Company 2020 N'000
Gross Premium written		3,095,923	1,905,604	1,288,021	811,688
Gross Premium Income	28	3,353,629	1,366,228	1,527,273	684,775
Reinsurance Expenses	29	(1,735,405)	(417,893)	(1,398,717)	(197,899)
				-	-
Net premium income		1,618,223	948,335	128,556	486,876
Fees and commission income	30	213,506	78,897	171,711	17,396
				-	-
Net underwriting income		1,831,729	1,027,232	300,267	504,272
				-	-
Insurance claims and benefits paid- Gross (including loss adjustment expenses)	31	(522,080)	(161,085)	(132,566)	(89,664)
Underwriting expenses	32	(366,749)	(261,822)	27,319	(145,537)
				-	-
Underwriting result		942,900	604,325	195,020	269,071
				-	-
Investment income	34	295,921	263,810	230,348	152,080
Fair value changes in financial assets-FVTPL	4a&b	(105,681)	(5,874)	(105,627)	3,394
Fair value changes in investment property	11	-	-	-	-
Other operating income	35	14,980	9,556	13,002	5,368
Impairment charge on financial assets and other assets	33	-	-	-	-
Management expenses	36	(718,782)	(740,397)	(339,477)	(351,792)
				-	-
Profit before tax		**429,338**	**131,422**	**(6,734)**	**78,121**
				-	-
Income tax expense	37	(18,472)	(39,427)	(6,440)	(23,436)
Profit for the year from continuing operations		**410,866**	**91,995**	**(13,174)**	**54,685**
Basic Earnings/(Loss) per Share	**27**	0.06	0.01	(0.00)	0.01

The statement of significant accounting policies and the accompanying notes to the account form an integral part of these financial statements.

Statement of Changes in Equity
for the period ended 30 June, 2021
Company

	Share Capital	Share Premium	Asset revaluation reserve	Fair value reserve	Contingency Reserve	Retained Earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2021	**6,933,333**	**663,600**	**1,809,597**	**45,146**	**1,121,845**	**(1,881,302)**	**8,692,221**
Transferred from statement of Profit or loss for the year	-	-	-	-	-	410,866	410,866
Other Comprehensive Income:	-	-	-		-		-
Changes in fair value of FVOCI instuments	-	-	-	-	-	-	-
	-	-		-	-	-	-
Total Comprehensive Income	**6,933,333**	**663,600**	**1,809,597**	**45,146**	**1,121,845**	**(1,470,436)**	**9,103,084**
Transfer to Contingency Reserve					92,878	(92,878)	-
Transactions with owners of equity							
Dividends to equity holders					-	-	
As at 30 June 2021	**6,933,333**	**663,600**	**1,809,597**	**45,146**	**1,214,723**	**(1,563,314)**	**9,103,084**

	Share Capital	Share Premium	Asset revaluation reserve	Fair value reserve	Contingency Reserve	Retained Earnings	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2020	**6,933,333**	**663,600**	**1,809,964**	**41,446**	**939,949**	**(2,440,338)**	**7,947,954**
Transferred from statement of Profit or loss for the year	-	-	-	-	-	91,995	91,995
Other Comprehensive Income:	-	-	-		-		-
Changes in fair value of AFS Investments	-	-					
Gain on revaluation of properties, plant	-	-		-	-	-	-
Total Comprehensive income	**6,933,333**	**663,600**	**1,809,964**	**41,446**	**939,949**	**(2,348,343)**	**8,039,949**
Transfer to Contingency Reserve					57,168	(57,168)	-
Transactions with owners of equity							
Dividends to equity holders					-	-	
As at 30 June 2020	**6,933,333**	**663,600**	**1,809,964**	**41,446**	**997,117**	**(2,405,511)**	**8,039,949**

The statement of significant accounting policies and the accompanying notes to the account form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE, 2021

	Notes	30-Jun-21 Company N'000	30-Jun-20 Company N'000
Cash flows from operating activities			
Premium received	28	3,095,923	1,905,604
Commission received	30	213,506	78,897
Reinsurance receipts in respect of claims	31(a)	2,030,260	292,640
Other operating income	34	6,089	9,296
Cash paid to and on behalf of employees	36	(344,948)	(299,927)
Reinsurance premium paid	29	(1,419,195)	(596,454)
Insurance benefits and claims paid	31	(2,491,037)	(662,844)
Underwriting expense	32	(449,875)	(367,944)
Cash paid to intermidiaries and other suppliers		538,369	(397,046)
Company income tax paid	20	(2,992)	-
Net cashflow from operating activites		**1,176,099**	**(37,779)**
Cash flow from Investing Activities		-	-
Purchase of property, Plant and equipment	14	(86,416)	(20,557)
Purchase of intangible assets	13	(3,925)	-
Proceed from sale of property and equipment		4	225
Proceed from disposal of investment property			
Dividend income	34	5,969	2,527
Interest received	34	289,952	261,283
Purchase of amortised cost investment		(1,132,623)	(1,132,623)
Redemption/repayment on armotised cost investments			
Purchase of investment property	11	-	-
Net cash provided by investing activites		**(927,039)**	**(889,145)**
Cash flow from Financing Activities			
Dividend paid		-	-
Net cash provided by financing activites		**-**	**-**
Net decrease in cash and cash equivalent		249,060	(926,924)
Cash and cash equivalent at the 1 January		3,375,996	3,659,345
Cumulative effect of transition to IFRS 9 (ECL)			
Adjustment for ECLs not involving cash outflows			
Cash and cash equivalent at the 31 December		3,625,056	2,732,421

The statement of significant accounting policies and the accompanying notes to the account form an integral part of these financial statements.

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

General information

Veritas Kapital Assurance plc ('the company') was initally incorporated under the name of Kapital Insurance Company Limited as a private Limited liability companyon the 8 August, 1973. On 14 March 2007, it acquired and merged with two other insurance companies and became a public liability company .Its shares are quoted on the Nigeria Stock Exchange.

Its Head office is located at 497 Abogo Largema Street, off constitution Avenue, Central Business District, Abuja. Nigeria

The principal business of the company is underwriting of non-life insurance risks.
The Company has 91.46% equity interest in Health Care Security Limited and 70% interest in Veritas Glanvills Pensions Limited and 51.53% in Goldlink Insurance Plc. The group comprises of two subsidiaries, an associate and the parent company.

3	**Cash and cash equivalents**	**Company**	**Company**
		30-Jun-21	**31-Dec-20**
		N'000	**N'000**
	This comprises of :		
	Cash at hand	741	683
	Cash at Bank	19,195	62,880
	Short term deposit (Staff gratuity fund assets)*	9,239	9,239
	Short term deposit (note 3a)	3,601,246	3,308,560
		3,630,421	3,381,361
	Adjustment for ECL on fixed deposit (note 3.1)	(5,365)	(5,365)
	Total	**3,625,056**	**3,375,996**

*Staff gratuity fund assets relates to fund set aside for staff of the parent who were still in service when the gratuity scheme was discontinued in July 2016. The intention of management is to keep the funds and make it available to the beneficiaries on exit.

3.1	Movement in Adjustment ECL	**Company**	**Company**
		30-Jun-21	**31-Dec-20**
		N'000	**N'000**
	As at 1 January	5,365	-
	Charge/(Write back) (See note 33)	-	5,365
	As at 30 June	**5,365**	**5,365**

a Financed by:

In compliance with section 19(3) of Insurance Act 2003, the short term deposit is financed as follows:

	Company	**Company**
	30-Jun-21	**31-Dec-20**
	N'000	**N'000**
Financed by Insurance fund	2,653,090	2,849,494
Financed by other funds	948,155	459,066
	3,601,246	**3,308,560**

Short term deposits consist of placements with commercial banks with a maturity date of less than 3 months.

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

		Company	Company
		30-Jun-21	31-Dec-20
		N'000	N'000
4	**Financial Assets**		
	This comprises of:		
	Fair value through profit or loss (note 4a)	63,357	58,414
	Armotised Cost (Note 4b)	3,032,330	2,759,627
	Fair Value through OCI (Note 4c)	184,985	184,985
		3,280,673	**3,003,027**
	Current	-	-
	Non-current	3,280,673	3,003,027
		3,280,673	**3,003,027**

a(i) These are quoted equities on the Nigerian Stock Exchange. The fair value is determined by reference to the quoted closing bid price at the end of the reporting year and are derived as follows:

Movement in FVTPL during the year	Company	Company
	30-Jun-21	31-Dec-20
	N'000	N'000
Fair value at 1 January	58,414	46,616
Addition (see note aiii below)	4,996	176
Fair value gain/(loss)	-	11,622
Fair value as at 30 June	**63,410**	**58,414**

a(ii) Historical movement in FVTPL

Cost at initial recognition	152,278	143,587
Accumulated fair value losses to date	(93,864)	(96,971)
Fair value as at 30 June	**58,414**	**46,616**

a(iii) These are quoted equities on the Nigerian Stock Exchange held by the entity which was recovered during reconciliation carried out and confirmed by the registrars. The stocks include the following; MRS Oil Nigeria Plc, NCR and Unilever.

		Company	Company
		30-Jun-21	31-Dec-20
b	**Amortised Cost**	N'000	N'000
	FGN treasury bills see note (i) below	137,795	209,026
	State/FGN government bonds see note (ii) below	1,079,016	-
	Corporate bond see note (iii) below	1,820,930	1,003,713
		3,037,741	**1,212,739**
	Balance at 1 January	2,785,906	1,232,582
	Additions	137,795	1,669,557
	Redemption/Repayment during the year	(335,502)	(385,047)
	Accrued interest	463,975	268,814
	Balance at 30 June	3,052,173	2,785,906
	Expected credit loss	(19,843)	(26,279)
		3,032,330	**2,759,627**

i	**FGN Treasury Bills**		
	Balance at 1 January	-	211,987
	Additions	150,000	-
	Redemption/Repayment during the year	-	(211,987)
	Accrued interest	(12,205)	-
	Balance at 30 June	**137,795**	-
	ECL	-	-
		137,795	-

ii	FGN Bonds and State Bonds		
	Balance at 1 January	608,606	-
	Additions	-	605,459
	Redemption/Repayment during the year		-
	Accrued interest	470,770	3,506
	Balance at 30 June	**1,079,375**	**608,965**
	ECL	(359)	(359)
		1,079,016	**608,606**
iii	Corporate Bonds		
	Balance at 1 January	2,176,941	1,020,595
	Additions	-	1,064,098
	Redemption/Repayment during the year	(335,502)	(173,060)
	Accrued interest	5,411	265,308
	Balance at 30 June	**1,846,850**	**2,176,941**
	ECL	(25,920)	(25,920)
		1,820,930	**2,151,021**
iv	**Movement in expected credit losses (ECL) during the year**		
	Balance at 1 January	19,843	-
	Addition during the year	-	19,843
	Balance at 30 June	19,843	19,843

c **Fair value through other comprehensive income**

	Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
Fair value at 1 January	184,985	43,716
Additions during the year(see note i below)	-	137,569
Fair value gain	-	3,700
Balance at 30 June	**184,985**	**184,985**

i The additions to unlisted equities includes shares in SystemsSpecs obtained from LightHouse Asset Management through a debt to shares swap agreement. (See note 8b). Also included in the additions is 22,089 units of shares from Afriland Properties Plc recognised upon reconciliation with registrars.

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

		Company	Company
5	**Trade receivables**	**30-Jun-21**	**31-Dec-20**
a	This comprises of:	**N'000**	**N'000**
	Premium receivable from insurance bokers	405,199	491,457
	Premium receivable from insurance agents	55,270	55,270
	Premium receivable from policy holders	33,158	33,158
	Premium receivable from insurance compainies	343,309	241,779
		836,935	821,664
	Impairment of premium receivables	(737,985)	(737,985)
		98,950	**83,679**
b	**Age analysis of gross trade receivables are as follows**		
	0-30 days	98,950	-
	Above 30 days	-	-
	Above 180 days		-
		98,950	**-**

c Analysis of movement in impairment

Group

	Provision no longer required N'000	Balance at 31 December N'000
Premium receivable from insurance brokers	-	545,262
Premium receivable from insurance agents	-	6,728
Premium receivable from policy holders	-	55,610
Premium receivable from insurance companies	-	136,544
	-	744,144

Company

	Provision no longer required N'000	Balance at 31 December N'000
Premium receivable from insurance brokers	-	545,262
Premium receivable from insurance agents	-	6,728
Premium receivable from policy holders	-	55,610
Premium receivable from insurance companies	-	136,544
	-	744,144

		Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
6	**Reinsurance assets**		
	This is analysed as follows:		
	Prepaid reinsurance(see note(a) below)	318,830	646,251
	Reinsurer' share of outstanding claims (see note(b)below)	478,725	378,628
	Reinsurers share of claims paid	-	877
		797,556	**1,025,756**
a	Movement in prepaid reinsurance is as follows:		
	Balance 1 January	646,251	96,020
	Additions during the year	1,397,074	3,367,686
	Amortized in the year - reinsurance expenses (see note 29)	(1,735,405)	(2,817,455)
	Balance at 30 June	**318,830**	**646,251**

b Movement in reinsurer' share of outstanding claims

Balance at 1 January	378,628	293,940
Movement in Reinsurers/coinsurers' share of outstanding claims reported during the year	100,098	84,688
Balance at 30 June	**478,725**	**378,628**

c Movement in reinsurer share of claim paid

Balance at 1 January	877	-
Movement in reinsurers/co-assurer's share of paid claims during the year	99,221	877
	100,098	**877**
Current	897,653	1,025,756
Non-Current	-	-
	897,653	**1,025,756**

	Company	Company
7 Deferred acquisition cost	**30-Jun-21**	**31-Dec-20**
a This is analysed as follows:	**N'000**	**N'000**
Agric	12,796	9,826
Motor	20,687	20,752
Fire	44,640	34,643
General Accident	18,596	18,148
Marine	3,508	2,912
Aviation	20,249	3,450
Engineering	12,324	7,311
Oil and Gas	69,650	19,077
Bond	56	3,258
Total	**202,505**	**119,379**

The movement in deferred acquisition cost is as follow:

Acquisition Cost brought forward	119,380	107,341
Acquisition Costs during the period (note 32)	377,144	480,848
Total	496,523	588,189
Amortised during the year (see note 32)	(294,018)	(468,809)
Acquisition costs carried forward	**202,506**	**119,380**
Current	202,505	119,379
Non-current	-	-
	202,505	**119,379**

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

		Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
8	**Other receivables and prepayments**		
	The balance is analysed as follow:		
	Receivables from staff (see note (a) below)	96,406	25,433
	Deposit for investment (See Note (b)below)	28,346	28,346
	Commercial papers (See Note (c)below)	217,460	217,460
	Prepayment	7,515	9,095
	Inventory	229	81
	Receivables from Related parties (see note i below)	128,033	158,033
	Fees receivables and other receivables (See Note (d)below)	81,594	78,575
	Prepaid recapitalisation expenses (See Note (e)below)	22,250	19,450
	Witholding tax receivable(See Note (f)below)	45,156	35,720
		626,990	572,194
	Impairment of other receivables and prepayment(See Note (g)below)	(358,055)	(359,081)
		268,935	**213,113**
	Current	140,901	55,080
	Non-current	128,033	158,033.45
		268,935	**213,113**

a Receivables from staff consist of amount due from staff in respect of unutilized upfront allowances.

	Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
Balance at 1 January	25,433	12,549
Addition	109,176	20,000
Repayment during the year	(38,203)	(7,116)
	96,406	25,433

b Included in deposit for investment is the amount with Lighthouse stockbrokers and Chapel hill for purchase of quoted equities on the Nigeria Stock exchange and investment in other financial instruments. A deed assigning 437,686 units of Lighthouse share in Systemspecs was entered into on 23 March 2019 in consideration for its balance of N93.1 million and N44.4 million net balance due from Back-up Network Limited commercial paper (See note 4ci)

		Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
c	Commercial papers represents receivables from the following entities		
	a) Back-up Network Ltd	-	44,412
	b) TKM Mestro Nigeria Ltd	131,649	131,649
	c) Off-shore Intergrated Concession Ltd	39,711	39,711
	d) Kruger Brent Global Services Ltd	46,099	46,099
		217,460	**261,872**

These commercial papers with the exception of backup network limited (which have been considered in note 8b above) have being impaired by the company as they are in doubt of recovery.

d Fee receivables includes fees receivable on RSA assets and administrative fees as at year end

e This represents amount paid to consultants with respect to proposed preference shares to be issued by the company. This was classified as preapaid expense pending the conclusion of the process. On completion, this will be applied against the share premium.

f

	Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
Witholding tax receivables		
At 1 January	35,720	2,793
Additions	9,436	119,401
Utilised during the period(see note 20)	-	(86,474)
At 30 June	**45,156**	**35,720**

g The movement in impairment charge is as follows:

Balance at 1 January	359,091	344,459
Provision no longer required	-	(33,930)
Impairment charge during the year	-	56,119
Write-off	-	(7,557)
Balance at 30 June	**359,091**	**359,091**

Company

	Provision no longer required	**Write-off**
Commercial papers	-	-
Prepayment	-	-
Receivables from staff	-	-
Inventory	-	-
Nigeria Liability Pool	-	-
Receivables from Goldlink	-	-
Fees receivable and other receivables	-	-
	-	**-**

i This relates to amount recoverable from :1. Subsidiary- Veritas Glanvills Pensions Limited as at 30 June 2021 for property situated at plot 1698 C and D Oyin Jolayemi Street, V.I. Lagos disposed to the later in 2018. The transaction was carried out at arms's lenght. The sales price was based on the most recent valuation carried out by Osas and Oseji estate surveyors and valuers. The sum outstanding is N66 million (N96 million, 2020). 2. Associates- Goldlink Insurance Plc - as at 31 March 2021, the amount relates to various expenses incurred on their behalf amounting to N62.033 million (N62.033 milion ,2020).

9 Investment in Subsidiaries

Veritas Kapital has 2 subsidiaries as at 30 June 2021. The details of the subsidiaries and principal activities are detailed below:

	30-Jun-21	31-Dec-20
	N'000	N'000
Veritas Glanvills Pension Limited at cost(See Note (a)below)	1,160,000	1,160,000
Veritas HealthCare Limited at cost (See Note (b)below)	416,300	416,300
	1,576,300	**1,576,300**

a Veritas Glanvills Pension Limited has issued share ordinary share capital of 1.5 billion units of N1 each.

Veritas Kapital holds 1.05 billion (70%): The company was incorporated on 20 April 2005, and licenced by National Pension Commission to carry on business of a Pension Fund Administrator on 19 June 2007. Its principal place of business is Lagos

b Veritas HealthCare Limited has issued ordinary share capital of 429,075,000 units of N1 each Veritas Kapital holds 401,000,000 units (93.5%): The company carries on the business of a health maintenance organisation, and its principal place of business is Abuja.

Management tested investment in subsidiaries for impairment and concluded that there was no indication of impairment. Summarized financial information in respect of each of the Group's subsidiaries is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	Veritas HealthCare Limited	
	30-Jun-21	31-Dec-20
	N'000	N'000
Total revenue	117,413	97,224
Profit/(Loss) before tax	31,037	38,700
Total assets	624,641	654,199
Total liabilities	59,392	102,204
Shareholders fund	565,249	551,995

	Veritas Glanvill Pension	
	30-Jun-21	31-Dec-20
	N'000	N'000
Total revenue	648,257	553,101
Profit/(Loss) before tax	166,554	86,858
Total assets	1,985,832	1,782,970
Total liabilities	288,938	346,072
Shareholders fund	1,696,894	1,436,898

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

		Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
10	**Investment in Associates**	1,010,650	1,010,650
	Share of associate loss (see note(a)below)	(1,010,650)	(1,010,650)
		-	-

GOLDLINK Insurance Plc

Veritas Kapital holds 1,268,064,351 (2017:1,268,314,351) ordinary shares representing 51.53% (2017:44.65%) holdings in Goldlink Insurance Plc as at 31/12/2018. The increase in the percentage holding in Goldlink Insurance Plc is due to shares forfeited and surrendered by shareholders in Goldlink Insurance Plc in 2018 due to non-cash payment.

Goldlink Insurance Plc became associate company of Veritas Kapital in 2011 but was taken over by the regulatory authority - National Insurance Commission (NAICOM) for infraction of insurance regulations and its Board of Directors was dissolved in 2012.

Though Veritas Kapital holds majority shares in Goldlink Insurance Plc. (51.53%) the investment has been treated as an associate and accounted for using equity method at both the Company and Group level.

In arriving at the decision to treat the investment as an associate, the Board of Directors considered if Veritas Kapital has control over Goldlink Insurance Plc based on the requirements of IFRS 10. IFRS 10.5 states that an investor regardless of the nature of its involvement with an entity is required to determine whether it is a parent by assessing whether it controls the investee.

Specifically, IFRS 10 states that an investor controls an investee if and only if the investor has the following:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

Based on assessment carried out, Directors concluded that Veritas Kapital does not have the power over the investee because the relevant activities of Goldlink Insurance Plc are subject to direction of the NAICOM instituted Board of Directors. The Board of Directors report directly to NAICOM on all its activities and resolutions are subject to the NAICOM (IFRS 10:B37).

11 Investment properties

Investment property comprises of landed properties and buildings held for the purpose of capital appreciation and rental income and are carried at fair value. The fair value of the Investment properties has been deteremined by external, independent professional valuers, Messrs. OSAS & OSAS and Partners (FRC/2012/NIESV/0000000522) as at 31 December 2020, having appropriate recognised professional qualifications and recent experience in the locations and categories of the Investment properties being valued. The properties have been valued using the depreciated replacement cost and market value approaches. Valuations are performed on an annual basis and the fair value gains and losses are recognised in the profit or loss account. The valuations were based on market data such as discount rates, rental risk and reversionary rates.

The movement in the fair value of investment properties as at 30 June 2020 is as follows:

	Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
Balance at 1 January	289,439	412,111
Addition	-	-
Disposal	(220,439)	(122,672)
Fair value gain	-	-
Balance at 30 June (see note 11c)	**69,000**	**289,439**

Measurement of fair value

a Fair value hierarchy.

The fair value measurement for the investment properties of N69,000 million (2020:N289,439 million) has been categorised as a level 3 fair value based on the inputs into the valuation technique used.

b **Valuation technique and significant unobservation inputs**

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	between key unobservable inputs and fair value
The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value.This valuation model reflects the current price on actual transaction for similar properties in the neighbourhood in recent tim.References were made to prices of land and comparable properties in the nighbourhood.The data obtained were analysed and adjustments was made to reflect differences in site area and the actual location ,quality of construction and off-site facilities.	The estimated fair value would increase(decrease) if the rate of development in the area increases(decreases), quality of the building increases (decreases), influx of people and/or business to the area increases(decreases)

c Analysed below is the list of investment properties whose titles are yet to be perfected as at the reporting date.

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

c The movement in the fair value of investment properties as at 30 June 2021 is as follows

	Status of Title Documents	Balance at 1 Jan 2021	Additions	Disposals	Revaluation gain or loss	Balance at 30 June 2021
A unit of 5 bedroom terrace house known as blk B, Ajiran Mews, Ikate Lagos	Deed of Legal Mortgage registered as No. 22, Vol. 2048, Lagos Land Registry.	45,000	-	-	-	45,000
No 35 Kafur Street, Off Isa Kaita Road Kaduna	Certificate of Occupancy No. 027560	55,494	-	(55,494)	-	-
Plot 277, Giwa Road, Gyadi-Gyadi, Kano.	Certificate of Occupancy No. LKN/RES/82/282	20,945	-	(20,945)	-	-
Block D flat 5 Hillview Estate Gaduwa District Abuja	Certificate of Occupancy No. 1932w-10645-65f7r-bbb2u-10	24,000	-	-	-	24,000
6 units of 3-bedroom flats known and identified as Block 8 Flat 2, Block 9 Flat 1&2, Block 14 Flat 2, Block 16 Flat 2 and Block 20 Flat 1&3 Aso Garden Estate Karsana Abuja.		144,000		(144,000)		-
		289,439	**-**	**(220,439)**	**-**	**69,000**

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

		30-Jun-21 N'000	31-Dec-20 N'000
12	**Goodwill**		
	The goodwill is arising on acquisitions in the following subsidiaries:		
	Veritas Glanvill Pension	316,884	316,884
	Veritas HealthCare Limited	-	-
		316,884	**316,884**
a	Analysis of movement		
	Balance at 1 January	316,884	386,444
	Impairment (see note 33)	-	(69,560)
	Balance at 30 June	**316,884**	**316,884**

The goodwill recognised on acquisition of Veritas Healthcare Limited (N69.56 million) was fully impaired.

The calculation of value-in-use was based on the following key assumptions
- The cashflows were projected based on the company's approved budget. The cashflows were based on past experiences and were adjusted to reflect expected future performances of the company .

-A terminal growth rate averaging 2.8% for VHCL and 4.6% for VGPL (2019: averaging 2.8% for VHCL and 4.6% for VGPL) was applied in determining the terminal cash flows

- Discount rates (averaging 21.88% for VHCL and 30.9% for VGPL), representing post-tax weighted average cost of capital (WACC), was applied in determining the value in use. Using an iterative process, the pre-tax discount rate of 30.3% for VHCL and 44.9% for VGPL was estimated. The growth rate used to extrapolate terminal cashflows for goodwill impairment testing is consistent with the long term sustainable growth rate for the company.

- The key assumptions described above may change as economic and market conditions change. The Company estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of either CGU to decline below the carrying amount

Assessment of impairment on goodwill was developed by the management of the company.

13 Intangible assets - Software
This comprises of acquired computer software which does not form part of a related hardware.

	Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
	22,820	25,299
Computer software		
Cost		
Balance, at 1 January	294,254	293,802
Additions	3,925	451
Balance at 30 June	298,179	294,254
Accumulated amortisation		
Balance, at 1 January	268,955	253,550
Amortisation expense	6,403	15,405
Balance at 30 June	275,358	268,955
Carrying amount 30 June	**22,820**	**25,299**

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

14 b Company

Property, plant and equipment

Cost/Valuation	Leasehold land N'000	Building N'000	Office computer equipment N'000	Motor vehicles N'000	Office furniture and fittings N'000	Work in progress N'000	Total N'000
At 1 January	911,386	1,901,614	299,374	387,076	114,773	2,355	3,616,578
Additions		74,824	8,850		2,742		86,416
Revaluation adjustments							-
Transfer/ Reclassification							-
Disposals			(29,793)	(41,344)		(293)	(71,431)
As at 30 June	911,386	1,976,438	278,430	345,733	117,515	2,061	3,631,563
Accumulated depreciation							-
At 1 January	-	-	246,258	266,944	112,610	-	625,811
Depreciation expenses	-	-	8,210	28,249	505	-	36,964
Revaluation adjustments				-	-	-	-
Disposals	-	-	(29,793)	(41,344)			(71,137)
As at 30 June	-	-	224,674	253,849	113,115	-	591,638
Carrying amount as at 30 June, 2021	**911,386**	**1,976,438**	**53,756**	**91,884**	**4,400**	**2,061**	**3,039,925**

Company

Property, plant and equipment

Cost/Valuation	Leasehold land N'000	Building N'000	Office computer equipment N'000	Motor vehicles N'000	Office furniture and fittings N'000	Work in progress N'000	Total N'000
At 1 January	901,272	1,794,613	263,701	319,100	115,674	67,056	3,461,417
Additions		50,425	40,929	67,976	236	2,355	161,921
Revaluation adjustments	10,114	(10,481)	-	-	-	-	(367)
Transfer/ Reclassification		67,056				(67,056)	-
Disposals			(4,871)		(1,137)		(6,008)
As at 31 December	911,386	1,901,614	299,374	387,076	114,773	2,355	3,616,578
Accumulated depreciation							-
At 1 January	-	-	230,695	229,406	107,559		568,012
Depreciation expenses	-	-	19,198	37,538	6,191		62,893
Revaluation adjustments							-
Disposals	-	-	(3,635)	-	(1,139)		(4,772)
As at 31 December 2020	-	-	246,258	266,944	112,610	-	626,163
Carrying amount as at 31 December, 2020	**911,386**	**1,901,613**	**53,116**	**120,133**	**2,163**	**2,355**	**2,990,799**

a) Land and Building was independently valued by Osas & Osas and Partners, Estate survayors &Valuers(FRC/2012/0000000000522) in December 2020 to ascertain the open market value of land and building .The value of land and building as at 30 June 2021 was N2,880,000,000 (2020: N2,813,000,000)

14c. Leasehold Land and Building Comprises:

Parent	30 June 2021			31 December 2020		
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	911,386	1,976,438	2,887,824	911,386	1,901,614	2,813,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	142,057	147,943	290,000	142,057	147,943	290,000
Plot 116 Hadejia Road, Yankaba, Kano.	69,329	153,671	223,000	69,329	153,671	223,000
	1,122,772	2,278,052	3,400,824	1,122,772	2,203,228	3,326,000

14d Movement in leasehold land and building is as follows:

Company 2021

	Status of title documents	balance as at Jan 1, 2021	Addition	Disposals	Transfer	Depreciation	Revaluation adjustment	Balance as at 31 March 2021
		N'000	N'000	N'000	N'000	N'000	N'000	N'000
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MIS(	2,300,000	-	-	74,824	-	-	2,374,824
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	290,000	-	-			-	290,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/	223,000	-	-			-	223,000
		2,813,000	**-**	**-**	**74,824**	**-**	**-**	**2,887,824**

Company 2020

	Status of title documents	balance as at Jan 1, 2020	Addition	Disposals	Transfer	Depreciation	Revaluation adjustment	Balance as at 31 December 2020
		N'000	N'000	N'000	N'000	N'000	N'000	N'000
Plot 497 Abogo Largema Street. Off Const. Ave. CBD	Certificate of Occupancy No. FCT/ABU/MIS(	2,200,000	117,481	-	-	-	(17,481)	2,300,000
Plot 173 Oshodi-Gbagada express way, opp. UPS, Gbagada, Lagos.	Deed of Lease No. 1124/SD/4	280,000	-	-			10,000	290,000
Plot 116 Hadejia Road, Yankaba, Kano.	Certificate of Occupancy No. LKN/RES/RC/	215,886	-	-			7,114	223,000
		2,695,886	**117,481**	**-**	**-**	**-**	**(367)**	**2,813,000**

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

		Parent	Parent
		30-Jun-21	31-Dec-20
		N'000	N'000
15	**Statutory deposit**	**355,000**	**355,000**

This represent amount deposited with the Central bank of Nigeria (CBN) as at June, 2021 in pursuant to section 9(1) and section 10(3) of insurance Act 2003. Interest income earned on this deposit is included in investment income. (See note 34)

		Parent	Parent
16	**Insurance contract liabilities**	30-Jun-21	31-Dec-20
	Outstanding claims(see Note(a) below)	N'000	N'000
	Outstanding claims reported	704,322	736,872
	Claims incurred but not reported	583,190	489,338
		1,287,512	1,226,210
	Unearned premium(see Note (b) below)	1,365,578	1,623,284
		2,653,090	**2,849,493**

a	**Provision for outstanding claims**		
	Motor insurance	16,460	22,312
	Fire insurance	88,706	157,993
	General accident insurance	111,349	94,806
	Marine insurance	4,743	6,158
	Engineering	91,725	125,847
	Aviation	53,358	73,321
	Oil and gas	337,506	534,298
	Bond	-	3,644
	Agric	475	207,831
	PHI	-	-
	IBNR	583,190	
		1,287,512	**1,226,210**
a(i)	Movement in outstanding claims:		
	Balance at 1 January	736,872	1,113,141
	Decrease in Outstanding Claims (see note 31)	(32,550)	(376,269)
	Balance at 30 June	**704,322**	**736,872**
a(ii)	Movement in IBNR is analysed as follows:		
	Balance at 1 January	(489,338)	202,014
	Increase in IBNR (see note 31)	(93,852)	(691,352)
	Balance at 30 June	**583,190**	**(489,338)**

a(iii) Age analysis of outstanding claims is analysed below

	2021		2020	
No. of Days	Number of Claimants	Outstanding claims (N'000)	Number of Claimants	Outstanding claims (N'000)
0-90	159	18,255	151	36,923
91-180	122	43,482	65	54,256
181-270	101	55,213	22	6,701
271-365	71	22,130	40	16,035
Above 365	650	565,242	620	622,957
Total	1,103	704,322	898	736,872

All claims are recorded as outstanding claims upon receipt of notification from the broker/beneficiary. Claims are setttled within the stipulated timelines in accordance with section 70 of the insurance Act 2003. Upon receipt of signed discharge voucher from the beneficiary, as at 30 June 2021, the balance of outstanding claims above 90 days represents claims for which appropriate complete documentation are yet to be received.

a(iv) The investment in respect of these insurance funds is a stated in Note 3b.
Estimates of incurred but not reported (IBNR) claims liability and calculation of unearned premium was developed by the management of the company with the use of a professional actuary (O and A Hedge Actuarial Consulting) with FRC registration number FRC/2016/NAS/00000015764

		Parent	Parent
b	**Reserve for unearned premium**	**30-Jun-21**	**31-Dec-20**
		N'000	**N'000**
	Motor insurance	139,161	200,785
	Fire insurance	222,640	180,861
	General accident insurance	154,679	99,001
	Marine insurance	17,183	15,464
	Engineering	82,638	36,202
	Aviation	101,963	15,641
	Oil and gas	395,279	107,324
	Bond	(0)	16,291
	Agric	248,276	947,955
	1% PHI PREMIUM	-	-
		1,361,819	1,619,524
	AURR	3,760	5,421
		1,365,578	**1,624,945**

b(i) Movement in unearned premium can be analysed as follows:

Balance at 1 January	692,442	926,414
Increase/(Decrease) in unearned premium(see note 28)	673,136	(233,972)
	1,365,578	**692,442**

17 Trade payables

Trade payables represent amounts payable to reinsurance, co-insurers, agents and brokers at year end.The carrying amounts disclosed below approximate the fair values at the reporting date.

	Parent	Parent
	30-Jun-21	**31-Dec-20**
	N'000	**N'000**
This is analysed as follows:		
Co-insurance premium	714,806	676,530
Commission payable	54,202	9,765
	769,008	**686,295**

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

		Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
18	**Retirement benefit obligation**		
	Gratuity Scheme		
	Balance at 1 January	-	-
	Contributions in the period	-	-
	Balance at 30 June	**-**	**-**

Pension scheme

The employees of the Company are members of a state arranged Pension scheme (Pension Reform Act, 2004) which is managed by several Pension Funds Administrators. The only obligation of the Company with respect to this pension plan is to make the specified contributions.

		Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
19	**Provision and other payables**		
	This is analysed as follows:		
	Life insurance fund (Note 19a)	131,417	131,417
	PAYE tax, VAT, NHF and other remitable deductions	16,494	26,693
	Staff accounts (see note 19b)	39,423	28,764
	Accrued professional fees (see note 19c)	75,200	46,148
	Accrued NAICOM levy	31,787	85,671
	Supplies & Services Bills Payables (note 19e)	124,332	134,459
	Other accruals and payables (see note 19f)	12,057	11,280
	Unclaimed dividends	15,046	15,046
	Due to employees (see note 3)	9,239	9,239
	Pension Protection fund(note 19d)	-	-
		454,996	**488,717**

a Life insurance fund arose from the business of the defunct Kapital Insurance Company Limited that ceased life business in 2007 because the emerged Unity Kapital is not licensed to carry on life business. The fund was kept in abeyance pending transfer to a life assurance company.

b Staff account balance is in respect of variable pay provision, unremitted amount on behalf of staff to various PFAs for the month of June 2021 and deductions from staff salary to be remitted to their co-operative scheme administrator. As at June 2021, staff related benefits have been fully settled.

c Accrued professional fees include accrual for audit fees, tax review and actuarial fees.

d Pension protection fund represents pension protection fund maintained by the pension fund administrators as a cushion to Pensioner whose pension balance is not enough to guarantee at least 2/3 of the Federal Government minimum wage bill on retirement based on section 82 of the Pension Reform Act, 2014

e Suppliers and service bills payables relates to outstanding payments due to vendors and suppliers for services rendered.

f Included in other accruals are unmatched inflows into various bank accounts and stale unpresented cheques.

		Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
	Current	308,532	222,269
	Non-Current	146,464	155,665
		454,996	**377,934**

20	**Income tax liabilities**		
	Company income tax	15,480	13,900
	Education tax	-	2,768
	Under provision in prior years	2,992	70,873
	Per income statement	18,472	87,541
	Balance at beginning of the year	30,969	40,923
	Witholding tax utilsed(see note 8f)	-	(86,474)
	Payments	(2,992)	(11,021)
	Per statement of financial position	**46,449**	**30,969**
21.1	**Deferred tax asset**		
	At 1 January	-	-
	Write back to income statement	-	-
	Balance at 30 June	-	-

		Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
21.2	**Deferred tax liability**		
	At 1 January	310,094	542,136
	Charges for the year	-	-
	Write back	-	(232,042)
	Balance at 30 June	**310,094**	**310,094**

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

		30-Jun-21	31-Dec-20
22	**Issued and paid up share capital**	**N'000**	**N'000**
	a Authorised		
	14 billion ordinary shares of 50 kobo each	7,000,000	7,000,000
	b Issued and fully paid		
	At 30 June	**6,933,333**	**6,933,333**

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as decleared from time to time, and are entitled to one vote per share at the meetings of the Company.

		Company	Company
23	**Share premium**	**30-Jun-21**	**31-Dec-20**
	Share premium comprises additional paid-in capital in excess of their per value.		
		N'000	**N'000**
	Balance at 30 June	**663,600**	**663,600**

24 Statutory contingency reserve

In compliance with Section 21 (1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums, or 20% of the net profits and the amount shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. The movement in the account is as follows:-

	Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
Balance at 1 January	1,121,845	939,949
Transfer from retained earnings	92,878	181,896
Balance at 30 June	**1,214,723**	**1,121,845**

25 Retained earnings

The retained earning are carried forward recognised income net of expenses plus current period profit attributable to shareholders.

	Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
Balance at 1 January	(1,881,303)	(2,440,337)
Transferred from statement of Profit or loss for the year	410,866	740,930
Transfer to Contingency Reserve	(92,878)	(181,896)
Balance at 30 June	**(1,563,315)**	**(1,881,303)**

26 Assets revaluation reserve

Assets revaluation reserve represents the net accumulated change in the fair value of land and buildings until the asset is derecognized or impaired.

	Company 30-Jun-21	Company 31-Dec-20
Land	**N'000**	**N'000**
Balance at 1 January	746,068	746,068
Revaluation surplus	-	-
Balance at 30 June	**746,068**	**746,068**
Building		
Balance at 1 January	1,063,896	1,063,896
Revaluation (deficit)/ surplus	-	-
Balance at 30 June	**1,063,896**	**1,063,896**
Carrying amount	**1,809,964**	**1,809,964**

		Company 30-Jun-21	Company 31-Dec-20
26	**FVOCI reserve**		
	Balance at 1 January	45,146	41,446
	Net actuarial gains on retirement benefit obligation	-	-
	Fair value gain on FVOCI financial intruments	3,700	3,700
		48,846	**45,146**

27 Earnings per share

Basic earnings per share (kobo)
The calculation of basic earnings per share was based on the profit after tax attributable to ordinary shareholders, and a weighted average number of ordinary shares outstanding on that date calculated as follow:

	Company 30-Jun-21	Company 31-Dec-20
Profit after tax attributable to equity holders N'000	410,866	91,995
Weighed average no. of ordinary shares at end of year '000	6,933,333	6,933,333
Basic earnings per share (kobo)	0.06	0.01

The Company does not have any instrument with a dilutive effect on its capital,Hence, the basic earnings per share is same as diluted earnings per share

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

		Company 30-Jun-21 N'000	Company 31-Dec-20 N'000
28	**Gross premium**		
	Gross premium earned (see note (a)below)	3,063,298	1,074,821
	Inward reinsurance premium (see note (b)below)	32,625	19,094
	Gross written premium	3,095,923	1,093,916
	Changes in unearned premium (see note 16 b(i))	257,705	(32,613)
		3,353,629	**1,061,302**
a	**Group premium earned is further analysed as follows:**		
	Fire	352,256	499,222
	General accident	244,208	217,243
	Marine	44,821	16,346
	Motor	282,307	130,413
	Oil and gas	615,904	100,260
	Aviation	190,022	40,436
	Engineering	120,313	70,739
	Bond	-	-
	Agric	1,213,467	162
	PHI Premium	-	-
		3,063,298	**1,074,821**
b	**Inward reinsurance premium**		
	Fire	6,108	1,871
	Motor	4,525	4,199
	General accident	670	1,275
	Aviation	2,703	47
	Engineering	8,515	1,952
	Marine	676	1,978
	Oil and gas	3,073	318
	Agric	6,354	2,260
		32,625	**13,899**
29	**Reinsurance cost**		
	Reinsurance cost	1,419,195	15,924
	Movement in prepaid reinsurance	316,210	47,639
	Reinsurance expenses (note 6a)	**1,735,405**	**63,563**
30	**Commission income**	**213,506**	**23,416**
	Deferred commission income at 1 January	-	-
	Fees and Commission income during the year	213,506	78,897
	Fees and commission earned during the year	(213,506)	(78,897)
	Deferred commission as at 31 March	-	-
31	**Claims expenses**		
	Direct claims paid	2,491,037	162,334
	Changes in outstanding claims (see note 16 a(i))	(32,550)	(169,923)
	Changes in IBNR (see note 16a(ii))	93,852	-
	PHI claims	-	-
	Gross claims incurred	2,552,339	(7,589)
	Reinsurance recovery(see note 31(a)below	(2,030,260)	(110,667)
		522,080	**(118,256)**
31a	**Analysis of reinsurance recoverable**		
	Reinsurance recovery on paid claims	(2,030,260)	23,159
	Movement in reinsurance share of outstanding claims (see note 6b)	-	84,688
	Movement in reinsurer's share of paid claims	-	877
	Total reinsurance recoverable	**(2,030,260)**	**108,723**
32	**Underwriting expenses**		
	Acquisition costs during the year	377,144	183,840
	Movement in deferred acquisiition	(83,126)	(85,728)
	Acquisition expenses during the year(See note 7)	294,018	98,112
	Maintenance cost during the year	72,731	18,172
	Total underwriting expenses	**366,749**	**116,284**

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

		Parent	Parent
		30-Jun-21	31-Dec-20
		N'000	N'000
33	**Impairment of financial assets**		
	Impairment charge on other assets	-	56,119
	Write back on other assets	-	(33,930)
	Impairment write-back on trade receivable	-	(6,159)
	Impairment charge on goodwill (see note 12)	-	-
	ECL charge on financial asset (see note 4b)	-	6,436
	ECL (write back) / charge on placement (see note 3.1)	-	(466)
		-	22,000
34	**Investment income**		
	Dividends from equity investments at FVTPL	5,969	2,527
	(Loss)/profit on disposal of investment property	(13,440)	(18,181)
	Interest received from:	-	
	Bonds	224,990	130,439
	FGN Treasury bills	1,258	14,413
	Short term deposits	73,408	108,681
	RSA asset based fee		-
	Statutory deposit	3,736	25,932
		295,921	**263,810**
	Further analysed as follows:		
	Attributable to policy holders fund	62,143	55,400
	Attributable to shareholders funds.	233,777	208,410
		295,921	**263,810**
35	**Other operating income**		
	Rental and other incomes	6,265	3,925
	Profit on sale of property, plant and equipment	5,504	194
	RSA administrative fee income	-	
	Exchange (loss) / gain (See Note 35bi)	2,972	
	Admin charges- Formal sector	-	
	Sundry income	239	5,438
		14,980	**9,556**

35bi Exchange gain/ loss relates to translation of transactions in foreign currency for oustanding claims, bank balances and foriegn currency investments as at end of quarter to naira at spot rate. Nafex dollar exchange rate was adopted for transactions in dollars

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

		Parent	Parent
		30-Jun-21	31-Dec-20
		N'000	N'000
36	**Management expenses**		
	Staff costs	344,948	299,927
	Directors' allowances and expenses	102,246	76,604
	Depreciation and amortisation	40,415	36,337
	Professional fees	22,544	168,910
	Audit fees	12,500	13,675
	Marketing and advertisement	103,802	29,062
	Administrative expenses	40,910	34,833
	NITDA information technology levy	2,949	-
	Repairs and maintenance	2,413	2,825
	Travel costs and allowances	7,741	9,181
	NAICOM Levy	10,414	20,446
	Donation (See Note 36b below)	-	20,000
	Electricity and power	11,802	6,328
	Penalty charge (see note 41)	250	-
	Subscription	2,175	1,328
	Printing and stationeries	1,193	1,871
	Information technology expenses	12,479	14,695
	Write-offs	-	-
	Pension protection fund levy	-	-
	Rent and rate	-	-
		718,782	**740,397**
37	**Income tax expense**		
	Education tax	-	6,225
	Company income tax	15,480	31,123
	Under provision in prior years	2,992	52,857
	Deferred tax (write-back)/expense	-	40,322
		18,472	**130,527**

38 Security Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule), Veritas Kapital Insurance Plc (the Company) maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company shares. The Policy is regularly reviewed and updated by the Board. Relevant persons are prohibited from dealing in the Company's share both when they are in possession of material non-public information about the company's activities as well as during "closed period".

The Company has made specific enquiry of all directors whether they have complied with the required standard set out in the listing rules and the Company's code of conduct regarding securities transactions by directors and the Company is not aware of any non-compliance as at the period ended June 30, 2021.

NOTE TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE, 2021

39 **Free Float Computation**

In compliance with the provisions of Rule 2.2: Self-Assessment and Self-Regulation, Rules Governing Free Float Requirements, Veritas Kapital Assurance Plc's shareholding pattern/structure as at 30 June 2021 indicating whether or not the Company's free float is in compliance with the Exchange's free float requirements for the Board on which the company is listed is presented below:

Free Float Computation				
Shareholding Structure/Free Float Status				
	30-Jun-21		30-Jun-20	
Description	Unit	Percentage	Unit	Percentage
Issued Share Capital	13,866,666,666	100%	13,866,666,666	100%
Substantial Shareholdings (5% and above)				
Veritas Capital Limited	7,321,989,662	52.80%	7,321,989,662	52.80%
Dr.Emmanuel I.U Ojei	1,287,628,018	9.29%	1,287,628,018	9.29%
Total Substantial Shareholdings	8,609,617,680	62.09%	8,609,617,680	62.09%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Mr. Thomas Etuh (Indirect - Representing Veritas Capital Ltd)	--	--	--	--
Mr. Aminu Babangida (Indirect - Representing Veritas Capital Ltd)	--	--	--	--
Dr. Oluwafunsho A. Obasanjo (Indirect - Representing Veritas Capital Ltd)	--	--	--	--
Mrs. Priya Heal (Indirect - Representing Veritas Capital Ltd)	--	--	--	--
Hajia Yabawa Lawan Wabi *mni (Indirect - Representing Veritas Capital Ltd)*	--	--	--	--
Mr. Nahim Abe Ibraheem (Indirect - Representing Veritas Capital Ltd)	--	--	--	--
Mr. Thomas Etuh (Indirect - Representing Tak Asset Management Ltd)	219,801,879	1.59%	219,801,879	1.59%
Sen. Maj. Gen. M. Magaro *OFR* (Direct)	105,952,347	0.76%	105,952,347	0.76%
Mal. Ibrahim Kashim (Direct)	2,225,077	0.02%	2,225,077	0.02%
Mr. Thomas Etuh (Direct)	112,280,700	0.81%	112,280,700	0.81%
Total Directors' Shareholdings	440,260,003	3.17%	440,260,003	3.17%
Other Influential Shareholdings				
Kano State Inv. & Properties Ltd	461,748,764	3.33%	461,748,764	3.33%
First Nominee/ Asset Mgt corp of Nig - T	387,116,802	2.79%	387,116,802	2.79%
Wushishi Mohammed Inuwa (LT. Gen. Rtd)	139,253,036	1.00%	139,253,036	1.00%
Total Other Influential Shareholdings	988,118,602	7.13%	988,118,602	7.13%
Free Float in Units and Percentage	**3,828,670,381**	**27.61%**	**3,828,670,381**	**27.61%**

Declaration:

(A) Veritas Kapital Assurance Plc with a free float percentage of 27.61% as at 30 June 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

Solvency Margin

The solvency margin for the company as at 30 June 2021 is as follows:

	Total Assets N'000	Inadmisible Assets N'000	Admissible Assets N'000
Cash and cash equivalents	3,625,056	-	3,625,056
Financial assets	3,280,673		3,280,673
Trade receivable	98,950		98,950
Reinsurance assets	797,556	-	797,556
Deferred acquisition cost	202,505	202,505	-
Other receivables and prepayments	268,935	128,033	140,901
Investment in subsidiaries	1,576,300	1,576,300	-
Investment in Associates	-		-
Investment properties	69,000	-	69,000
Goodwill	-		-
Intangible assets - Software	22,820		22,820
Property, plant and equipment-(L&B)	2,887,824	743,155	2,144,669
Property, plant and equipment (Others)	152,102		152,102
Statutory deposits	355,000		355,000
Deferred tax asset	-		-
Total Admissible Assets	**13,336,720**	2,649,994	**10,686,727**
Insurance contract liabilities	2,653,090		2,653,090
Trade payables	769,008		769,008
Employees retirement benefit obligations	-		-
Provision and other payables	454,996		454,996
Income tax liabilities	46,449		46,449
Deferred Tax Liabilities	310,094	310,094	-
Total Admissible liabilities	**4,233,636**		**3,923,542**
Solvency Margin			6,763,185
The higher of 15% Of Net premium or	347,236.00		
Minimum capital base	3,000,000.00		3,000,000
Excess			3,763,185
Solvency ratio			225%

PARENT UNDERWRITING REVENUE ACCOUNT
for the period ended June 30, 2021

	FIRE	G/ACCIDENT	MARINE	MOTOR	OIL & GAS	AVIATION	ENGINEERING	BOND	AGRIC	June 2021	June 2020
INCOME	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Direct premium	**352,256**	**244,208**	**44,821**	**282,307**	**615,904**	**190,022**	**120,313**	**-**	**1,213,467**	**3,063,298**	**1,874,529**
Inward premium	6,108	670	676	4,525	3,073	2,703	8,515	-	6,354	**32,625**	**31,075**
Gross premium written	358,364	244,878	45,498	286,832	618,977	192,725	128,829	-	1,219,821	**3,095,923**	**1,905,604**
(Increase)/Decrease in provision for unexpired risks	**(41,779)**	**(55,678)**	**(1,719)**	**61,625**	**(287,954)**	**(86,323)**	**(46,436)**	**16,291**	**699,680**	**257,705**	**(539,376)**
Gross premium earned	316,585	189,199	43,779	348,457	331,023	106,402	82,392	16,291	1,919,501	**3,353,629**	**1,366,228**
Outward premium	(87,918)	(64,494)	(29,826)	(25,446)	(308,241)	(10,911)	(47,325)	-	(845,034)	**(1,419,195)**	**(596,454)**
Prepaid reinsurance	5,134	641	(188)	3,583	113,086	-	19,942	(186)	(458,222)	**(316,210)**	**178,561**
Net Premium earned	233,801	125,346	13,765	326,594	135,867	95,491	55,009	16,105	616,244	**1,618,223**	**948,335**
Commission Received	24,015	13,895	9,193	4,138	-	510	10,596	-	151,158	**213,506**	**78,897**
TOTAL OPERATING INCOME	257,817	139,241	22,959	330,732	135,867	96,001	65,604	16,105	767,403	**1,831,729**	**1,027,232**
Claims Expenses											
Gross claims paid	(119,471)	(24,060)	(12,910)	(50,142)	(137,260)	(1,151)	(11,287)		(2,134,755)	**(2,491,037)**	**(662,844)**
Increase/(Decrease) in provision for outstanding claims	22,318	(48,486)	(100)	340	72,417	(6,602)	(6,932)	-	(405)	**(61,302)**	**209,119**
Gross claims incurred	(97,153)	(72,546)	(13,010)	(49,802)	(64,843)	(7,754)	(18,219)	-	(2,135,160)	**(2,552,339)**	**(453,725)**
Reinsurance claims recoveries	-	12,453	12,629	12,306	27,040	18	57,478	-	1,908,335	**2,030,260**	**292,640**
Net claims incurred	**(97,153)**	**(60,093)**	**(381)**	**(37,496)**	**(37,803)**	**(7,736)**	**39,259**	**-**	**(226,825)**	**(522,080)**	**(161,085)**
Underwriting Expenses											
Acquisition cost	(68,267)	(31,021)	(8,261)	(33,135)	(128,565)	(36,206)	(26,982)	-	(99,981)	**(449,875)**	**(367,944)**
Movement in deferred Acquisition cost	9,997	448	595	(66)	50,573	16,799	5,013	(3,202)	2,969	**83,126**	**106,123**
UNDERWRITING PROFIT:											
2021	**102,394**	**48,576**	**14,912**	**260,035**	**(777,797)**	**68,858**	**82,895**	**12,903**	**443,566**	**942,900**	**604,325**
2020	135,336	151,797	53,054	144,756	193,863	101,101	(107,279)	24,739	(93,042)		

Value Added Statement

	Company 31-Dec-21	%	Company 31-Dec-20	%
Gross premium income	3,353,629		1,366,228	
Investment Income	295,921		263,810	
Other income	122,805		82,579	
Reinsirance claims, commission and operating expenses	(2,957,652)		(1,244,931)	
Value added	**814,704**	**100**	**467,687**	**100**
Applied to pay				
Staff cost	344,948	42	299,927	64
Government as tax	18,472	2	(895)	0
To provider finance				
Shareholders as dividend				
Retained in the business				
Deferred Tax	-	-	40,322	9
Depreciation and amortisation	40,415	5	36,337	8
Retained profit for the year	410,866	50	91,995	20
	814,702	**100**	**467,687**	**100**

FIVE YEAR FINANCIAL SUMMARY

STATEMENT OF FINANCIAL POSITION

	30-Jun-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17
	N'000	N'000	N'000	N'000	N'000
ASSETS					
Cash and cash equivalents	3,625,056	3,375,996	3,659,345	3,981,106	3,756,993
Financial assets	3,280,673	3,003,027	1,303,071	87,435	92,230
Trade receivables	98,950.14	83,678.84	-	-	6,678.00
Reinsurance assets	797,556	1,025,756	389,960	643,363	216,302
Deferred acquisition cost	202,505	119,379	107,340	161,294	98,318
Other receivables and prepayments	268,935	213,113	409,596	596,921	335,483
Investment in subsidiaries	1,576,300	1,576,300	1,576,300	1,576,300	1,576,300
Investment in associates	-	-	-	-	-
Investment properties	69,000	289,439	412,111	880,201	880,202
Intangible asset	22,820	25,299	40,253	47,606	68,378
Property, plant and equipment	3,039,925	2,990,799	2,893,407	2,730,955	2,849,945
Statutory deposits	355,000	355,000	355,000	355,000	355,000
Total assets	**13,336,720**	**13,057,786**	**11,146,383**	**11,060,181**	**10,235,829**
LIABILITIES					
Insurance contract liabilities	2,653,090	2,849,493	2,007,596	2,330,632	1,687,090
Trade payables	769,008	686,295	229,840	115,467	43,520
Employees retirement benefit obligations	-	-	-	-	-
Provision and other payables	454,996	488,717	377,934	274,051	276,807
Income tax liabilities	46,449	30,969	40,923	56,815	42,600
Deferred tax liabilities	310,094	310,094	542,136	501,814	292,730
Total liabilities	**4,233,636**	**4,365,569**	**3,198,429**	**3,278,778**	**2,342,747**
EQUITY					
Issued and paid up share capital	6,933,333	6,933,333	6,933,333	6,933,333	6,933,333
Share premium	663,600	663,600	663,600	663,600	663,600
Statutory contingency reserves	1,214,723	1,121,845	939,949	851,335	754,171
Retained earnings	-1,563,314	-1,881,304	(2,440,338)	-2,475,146	(2,052,713)
Asset revaluation reserve	1,809,597	1,809,597	1,809,964	1,773,780	1,559,768
Fair value reserve	45,146	45,146	41,446	34,501	34,923
Shareholders fund	**9,103,084**	**8,692,217**	**7,947,954**	**7,781,403**	**7,893,082**
TOTAL LIABILITIES AND EQUITY	**13,336,720**	**13,057,786**	**11,146,383**	**11,060,181**	**10,235,829**
Gross premium written	3,095,923	6,063,203	2,953,792	3,238,769	2,320,768
Underwriting Profit(Loss)	942,900	1,203,657	1,076,778	873,154	76,784
Profit(loss) before taxation .	429,338	596,429	253,949	(50,782)	(744,268)
Taxation	(18,472)	144,501	(130,527)	(272,513)	(117,834)
Profit(loss) after taxation	**410,866**	**740,930**	**123,422**	**(323,295)**	**(862,102.00)**